Featuring Alberta Coal as a National Problem

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The Nation's Business

Is Our National Debt Up or Down?

Truth is That No One Can Tell

Must Revamp C.N.R. Capital Before Facts Can be Known

MR. ROBB claimed a surplus of $54,815,000 for the current fiscal year when he presented his budget. He claimed that the net debt had been reduced by $41,000,000 in the year to March 31 last, and would be reduced by another $39,000,000 during the present year. All told, the net decrease of debt for the five year period to March 31, 1928, would amount to $144,700,000. This would be after allowing for certain write-offs found necessary.

On the surface nothing could more clearly indicate improvement in the Dominion financial position than this. And as a corollary great credit would naturally be taken upon itself by any government under whose regime such an accomplishment had been achieved.

* * *

NOW cold water is being thrown upon governmental enthusiasms over this apparent debt reduction. Opposition speakers in the budget debate in the House of Commons take issue with the accounting systems that enables such a reduction in the debt to be shown. They point out that, while debt of the Dominion government has been going down, the debt of the Canadian National Railways has been going up. Formerly, when the Canadian National Railways needed money the Canadian government borrowed it, added the money to its debt and advanced it to the Canadian National Railways.

Now the Canadian National Railways borrows directly from investment markets and its bonds are guaranteed by the Dominion government. The bonds appear in the company's balance sheet as its own direct obligations and not as advances from the Dominion government. They do not appear in the Dominion government's balance sheet at all. The last annual report of the Canadian National Railways, dated December 31, 1926, showed its long term debt and its debts to the Dominion government separately as follows:

Funded debt, $953,383,109.

Dominion of Canada account, $1,225,863,756.

* * *

A VERY real issue is suggested by the discussion of the Conservative Opposition but the important problem is not exactly the question that they raise. If the Dominion raised the money directly and advanced it to the Canadian National Railways it would probably feel justified in deducting the amount of the advances from its gross debt, by including it among active assets and the net result to the net debt would be the same as at present. True the government, under Sir Henry Drayton's ministership, wrote off several hundred million of railway advances as a non-active asset, but it is questionable if a government would consider any present advances to the Canadian National Railways as so much money given and better forgotten. There is no concealment in the present method. The government chooses to separate its own borrowings and the present borrowings of the Canadian National Railways just as a company might decide that instead of it issuing a consolidated balance sheet of its own affairs and those of its subsidiaries, it should issue a balance sheet showing the position of the parent company with the equity in its junior company indicated among its assets and without any indication among its liabilities of debts of the subsidiary company. One method of bookkeeping may be just as sound as another.

The important point that is raised by the present discussion is that the

(Continued on page 2, col. five)

SAY T. EATON CO. TO COVER TORONTO WITH GROCETERIAS

Plans to Meet Existing Competition in That Way

There appears to be more than a possibility of the T. Eaton Co. opening an extensive chain of groceterias in Toronto. It is understood that the popularity of existing groceteria stores has made serious inroads into the revenue of the store's "cash and carry" grocery business.

The fact that the T. Eaton Co. has established groceterias in several towns in Ontario, throughout Western Canada, and in the Maritimes, is an indication that this method of merchandising is being given increased attention.

Such a development by the big Toronto department store would make for keener competition with existing chain-store groceterias. Investment interest in these stores in Toronto, on the Stock Exchange, is confined to Loblaws, Dominion Stores, and Arnolds.

However, should any competition be offered in this field by Eaton's, it is felt that the independent stores, rather than the chains, would have to bear the brunt of the increased drive for business.

It is said that Eaton's plans call for 20 groceterias in Toronto.

Eaton's now operate stores of one kind or another in 44 centres in Canada and is by far Canada's largest merchandising institution.

SOON LAUNCH VAST SCHEME OF MIGRATION

Dominion Will Give Free Hand to Pioneering Settlers

20,000 FAMILIES

British Government Will Loan $1,500 Per Family, to be Repaid Over Long Term

From Our Own Correspondent

OTTAWA. — An important announcement in regard to a new settlement scheme which has been negotiated between the Canadian and British governments, may be expected within a few weeks. It may be that the announcement has not been made hitherto because of the impending inquiry into the department and the entirely human and understandable desire of the immigration department officials to keep their aces up their sleeves.

To Get Free Lands

As nearly as may be learned here the new scheme is of real importance and of good promise and, furthermore, opens up a new phase of settlement which has often been advocated but never put into practice. The scheme is known as the Pioneer Settlement agreement and it provides for the settlement of British families in groups of 15 to 20 upon government owned or crown lands in western Canada.

The Canadian government has undertaken to find the lands and present them to the families free of cost. There are plenty of good homestead lands still available and this should present no difficulties. The settlements are to be created in hitherto unsettled areas not more than 15 miles from a railway and the families are to be given free assistance, by way of superintendence, for the first year.

Britain to Help

The British government is to put up $1,500 per family and this will be repaid over a long period of years. The British government, it is said, desired to proceed this year with the settlement of 500 families but the time is now too short and the Canadian department was unable to guarantee that houses could be erected quickly enough to enable the new comers to get on the land. For this reason the inauguration of the scheme has been deferred until 1929, when the Canadian government proposes to settle 20,000 families. It is hoped that the British government will advance the money prior to the arrival of the families so that the buildings may be erected in 1928 for occupation in the spring of 1929.

This scheme will replace the 3,000 family settlement scheme which lapsed last year but which has been extended to cover the settlement of 500 families in the present year.

PELISSIER SALES INCREASED 90 P.C. IN LAST MONTH

Beer-by-glass Will Shortly be Factor in Profits

Pelissier's Ltd., Winnipeg brewery, whose shares are listed on the Toronto stock exchange, is enjoying startling increases in business and profits.

During the month of January sales amounted to $43,000 against $24,000 in January of the previous year. For the first seventeen days of February sales were $26,400 or more than the sales for the whole of February 1927, when they totalled $24,960.

It is stated that profits have increased accordingly. When Pelissier's common was offered recently at $12 a share, earnings at the rate of $2.60 per annum were reported. It is believed that this rate is now being substantially exceeded.

Incidentally, sale of beer by the glass, which will shortly be in effect in Manitoba, Pelissier's chief market, has not yet been a factor in the company's earnings. Sale of beer by the glass is expected to increase materially the demand for the company's products.

Canada Serves Notice Power Export Taboo

From Our Own Correspondent

OTTAWA:—In the general melee of the budget debate the Greater St. Lawrence Waterways question has dropped suddenly from sight and is no more mentioned in the corridors of parliament. This is an extraordinary fact for the reason that there have been developments in the last few weeks which, conceivably, are of vital importance to the Dominion.

It can be stated, confidently, that within the past month, Premier Mackenzie King has addressed a diplomatic note to Washington, setting out the viewpoint of the Canadian government in regard to the Waterways. It is even possible, although your correspondent has not heard of it, that an answer has been received and that the two governments have reached an understanding upon the chief points involved. The Canadian note is being closely guarded here, and if the opposition members are aware of its existence, none of them has asked that it be tabled, or be made public.

Details of the Canadian note are so meagre and may be picked up only after having drifted in gossip through so many individuals, that to declare the contents of it would be foolhardy. However, it is said that it lays down the non-exportation of power as a cardinal principle and asserts that unless the United States government recognizes this, further negotiation would be useless.

Structural Steel to be Made at Soo by Algoma Steel

Company Has $8,000,000 Orders on Hand at Present Time

DIRECTORS ON JOB

1928 Balance Sheet Should Reflect Increased Activity of Properties

From Our Own Correspondent

MONTREAL.—Over $8,000,000 of orders on hand; double-shift operation of the Algoma plants; plans for the construction of a structural steel plant; and a complete inspection of the Lake Superior Corporation properties by the newly-appointed Canadian directors, constitute the outstanding features of the present constructive atmosphere surrounding Lake Superior Corporation.

A year ago the Algoma Steel had something like $2,000,000 of orders on hand: to-day that figure has been increased four-fold. In all likelihood, most of these orders will be reflected in the 1927-28 earning statement, as the company's year does not end until June 30th.

The business on hand is largely for rails. It is understood that orders for rails amounting to over $4,000,000 have been placed by the C.N.R. and C.P.R. systems, and that an additional $1,000,000 of rail business has been received from the Great Northern, the Pere Marquette, the T. and N. O. and also from the corporation's wholly owned subsidiary, Algoma Central and Hudson Bay Railway.

Other Orders on Hand

In addition to the rail business, the company has on hand some $2,000,000 of business covering such products as tie plates, merchant bars, angle splice bars, pig iron, sulphate ammonium, and also for furnace and domestic coke. In this latter product, the big orders (which amount to something like $2,000,000 or $3,000,000 a year), will not be placed until the first of April, so that this business, a large amount of which comes from International Nickel and Mond Nickel, has yet to be added to the total of prospective orders.

According to well-informed individuals, there will be no attempt by the new Canadian group to make any immediate expenditure of $12,000,000 or $15,000,000 at the Soo.

The new group has a definite plan of development worked out covering a period of several years but according to present plans this constructive reorganization will only be done a step at a time.

The first constructive step that will in all probability take place will be the adaptation and enlargement of present plant for the making of structural Steel. This is a field that Algoma Steel has not been active in in the past but within the next eight or ten months it is probable that $1,000,000 will be spent in equipping the plant for the production of all kinds of structural steel.

Sifton Interested in Algoma Picture

From Our Own Correspondent

MONTREAL.—Who are the Canadian interests who have acquired control of the stock of Lake Superior Corporation? This question has been asked many times since the announcement that virtual control has now passed from Philadelphia to Canada. The election of two new Canadian Directors last week sheds little or no light on the situation. The two new men are both Montrealers and are merely representatives of the new group.

The Financial Post finds some support for the belief that it may be the Sifton interests who are behind the scenes. The fact that the transaction has been carried out exceedingly quietly, due largely to political reasons, lends some weight to this view. In the meantime considerable activity is in evidence at the Lake Superior plants and the nucleus of a very comprehensive reconstruction plan is taking shape.

FANNY FARMER STOCK BUYERS BID LOW PRICE

But Canadian Purchasers Not Inclined to Let Shares Go

Although nothing but favorable news is known, the common stock of Fanny Farmer Candy Shops, Inc., has not shown the buoyancy which may be expected as the New York market shows signs of recovery. It remains to be seen what will be the effect of the announcement of the $1 dividend. It is whispered that this dividend rate was fixed by the directors formally two or three weeks ago, the public announcement did not come until the last day of February.

There has been little selling and there has been a wide spread between bid and asked prices. The bidding apparently emanated from New York. The bid was usually five points under the asked price, which receded from 40 to 35½ on very few transactions. The substantial Canadian buying of two or three weeks ago was at prices from 38 to 44½. There has been no selling from Canada.

To Show $4 Earnings

Annual report of the company, which will be available within a few days, will show, it is said, close to $4 the share on the common stock, This compares favorably with $2.95 in 1926, $1.70 in 1925 and $1.11 in 1924. The preferred stock sinking fund of 20 per cent. of net profit is operative from April 1, 1927.

In 1927, this stock, listed on the New York Curb, sold at 11½ times its earning power. On the same basis, the present market value of the stock is well in excess of 40. The average market price of similar stocks on the New York last year was 13.7 times the earnings. The highest price in the group was achieved by the common of Sweets Co. of America at 25.6 times the earnings.

Issue is Small

It was said on good authority three weeks ago that Fanny Farmer would be listed on the Toronto Stock Exchange under fine sponsorship. This listing has been delayed, for no apparent reason. The effect of the delay, however, has been temporarily to depress the stock below the levels at which there was substantial Canadian buying.

Only about 30,000 shares of the stock are in the hands of the public, the balance being held by insiders who are connected with the Laura Secord chain.

The management is believed to be highly skilled; evidence of this ability is the success of the Laura Secord chain in Canada over a term of years before there was public investment interest.

At present there are 115 shops operated by the company, the products being manufactured in so-called studios in New York, Rochester, Minneapolis and Boston. One or two cities in Pennsylvania are being invaded, and shops will be supplied from New York. A similar broadening out in New England, notably in Lewiston, Me., will supply additional outlets for the Boston factory. Within the last week negotiations were concluded for the establishment of a shop along the board walk at Atlantic City. This shop is expected to carry itself from the start and will be, in addition, an excellent advertisement.

Listing in Fall

Listing of the stock on the Toronto exchange, which can be expected next fall if not sooner, will be of distinct advantage to investors because of the knowledge the Canadian public has of the enterprise and the excellent record so far of Laura Secord stock. On the New York curb, the stock is not conspicuous because the issue is small and because the enterprise up to the present has not become relatively as well known as it is in Canada.

The dividend will be paid quarterly at the rate of $1 per annum. The first payment will be made April 1 to shareholders of record March 15.

Soon to Pay Arrears on Packers Preferred

Reserve Built Up More Quickly Than Expected — Public Offering of Common May Accompany Listing

Dividends on the $6,750,000 of 7 per cent., preferred stock of Canada Packers, Ltd., probably will be paid in full within two or three months, it is reported. Dividends accrue from last August 17. It was announced some months ago that the initial dividend would not be paid until a reserve of approximately two years, or about $900,000, had been built up. This apparently will be accomplished sooner than expected. Prices have been firm and trade brisk in the domestic market.

Holders of Harris-Abattoir bonds who have made inquiries recently received information which indicated that this unit of the Canada Packers enterprise is making profits well in excess of $1,100,000 annually after bond interest. The Davies plant also is said to be operating profitably.

Davies A and B stock have been withdrawn from the Toronto stock exchange and the stock of Canada Packers will not be listed until dividends are paid. Davies A holders get one new preferred for each two of Davies A. Davies B holders get one new common for each Davies B share.

It is possible that there will be a public offering of blocks of the common stock now held by insiders in Canada Packers. The only investment interest has been through the comparatively few Davies B shares held by the public. There have been no recent transactions in the B. stock, indicating that whatever stock was free had been acquired by insiders. Under the present circumstances, a listing of the common of Canada Packers would serve no purpose and it is doubtful if the requirements of the stock exchange for distribution could be met without a public offering of the stock through an investment banking house.

SEE RIGHTS AS PROBABLE FOR NICKEL

Future Financing May be on Basis Benefiting Shareholders

SHORT INTEREST BIG

New Yorkers Fail to Take Into Account Premier Position of Company and Outlook

The short interest in International Nickel is said to total 300,000 shares. Additional capital which the company will require shortly probably will be found by the issuance of additional stock to shareholders at a moderate price.

International Nickel is the most talked of stock in New York. The Montreal broker who has been one of the most persistent advocates of its purchase for the long pull is reported to be in the metropolis watching the situation. His firm is said to have loaned tens of thousands of shares to New York for short account. In the recent slump from 100 to 73, customers of this house have been abjured not to sell. For the most part, they are hanging on.

New York Has Been Wrong

The prediction is that any amount of buying in the present market will make a pronounced difference in the quotations, especially if, and when, Montreal brokers begin to call stock.

New York has been strongly of the opinion that Nickel would sell at lower levels. When it sold at 60, the prediction was that it would sell at 40. When it sold at 75, New York insisted that it would sell below 50. But Nickel as yet has not fulfilled either of those predictions. Its rise has not been steady, but the trend has been upward to the advantage of Canadian holders. They have shown more patience than, perhaps, can be expected from the New Yorkers.

Is One of Leaders

Market trends will affect Nickel, but Nickel is one of the leaders and helps to make the trend. And certainly there is nothing less hopeful in the outlook for the company now than there was eight months ago when the Canadian investment public first began to be enthusiastic for the stock.

While earnings, as revealed in the annual statements of the company, are moderate enough to encourage the bears, those who have knowledge of what is behind the balance sheet and down the shafts at Sudbury are convinced that existing prices for the stock are lower than prices will be in the future.

International Nickel Co. will need more capital for expansion, for development of the Frood ore body and for developing new markets for nickel and copper. It is improbable that bonds will be sold. It is said that the directors virtually have decided to offer new stock to shareholders at $50 the share.

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SPECIAL SECTION

Featuring Alberta Coal as a Natural Problem 17-28

Grain Exchange and Stock Mart to Work Closely

Formal Amalgamation of Grain and Stock Markets is Unlikely

NO DIRECT INTEREST

Closer Relationship May be Attained by Both Marts Being Under One Roof

From Our Own Correspondent

WINNIPEG.—Discussions are still proceeding with respect to the future relations which will exist between the Winnipeg Grain Exchange and the Winnipeg Stock Exchange. Formal amalgamation, which at one time seemed to be a possibility, is considered now to be out of the question. On the other hand it seems altogether likely that the Stock Exchange will take up its quarters in the Grain Exchange Building, when the enlargement of that building now under way is completed.

An increasing number of firms will probably have memberships in both bodies and the close relationship brought about will be to the advantage of all. When the suggestion of complete amalgamation between the two bodies was first put forward, there was a good deal of general approval. It was felt that such a move would make easier an increased development of Winnipeg as a financial market. But further consideration showed that the majority of members of the Grain Exchange have no direct interest in trading in stocks and bonds. Elevator Companies, Milling Companies, Grain Exporters, the firms handling lake vessels and Commission Merchants selling grain for their country clients are not interested in trading in securities.

Most of the firms offering trading facilities in grain options to the general public would probably be willing to enlarge their operations to cover trading in securities. The number of such firms, after all, comprises but a small part of the total membership of the Exchange. The Grain Exchange must continue to be operated with a single eye to the most efficient handling of grain, and the majority of members would not wish to have the attention of either officers or staff diverted to any other subject.

Better Trading Quarters

Looking at the matter from the standpoint of those interested in the market for securities, if such a market is to develop on a large scale they will wish to see it under the control and government of men whose primary interest is in such a market, and not men whose major interest is in handling of grain. These considerations, however, do not alter the fact that the Winnipeg Stock Exchange, if it is to develop into a larger institution, needs better trading quarters, and also that a greater concentration of the offices of its members would be desirable. Consequently the most logical development appears to be for the Winnipeg Stock Exchange to acquire trading quarters in the enlarged Grain Exchange Building and for some of its members to establish offices there.

Winnipeg is becoming of increasing importance as an investment centre. Financial houses with their headquarters in the east have been finding during the last year or two that their Winnipeg offices are developing a steadily increasing business. Local bond dealers, who a few years ago found it a difficult struggle to maintain a business in securities, are establishing an ever growing clientele. In fact recent difficulties of investment houses in the West have not been so much to dispose of securities but to secure an increased participation in new issues brought out by Western houses.

The business actually transacted on the Winnipeg Stock Exchange has, so far, been of a decidedly limited character. Trading facilities have been of advantage in dealing with Victory Bonds and in the unlisted securities of a few western companies. But with the increasing development of Western Canada, and more particularly in mining, it is believed that a local market for local

(Continued on page 2, col. four)

McColl-Frontenac Get New Business

From Our Own Correspondent

MONTREAL.—It is understood that the McColl-Frontenac Oil Company has been successful in closing several large oil and gas contracts. The company has certain affiliations with various public utilities which should result in increasing the market for its output materially. In Northern Ontario, where the company also has affiliations, sales are increasing substantially.

CALGARY POWER ACQUIRES OPTION ON GAS OUTPUT

Fight is Predicted with Can. Western Natural Gas Company

WANT REDUCED RATE

Option Places Power Company in Stronger Position to Contest Concession to Gas Company

From Our Own Correspondent

CALGARY.—The Calgary Power Company has taken options on a large gas output in the Turner Valley field, it is admitted by G. A. Gaherty, manager of the company. The output is in the neighborhood of ten million cubic feet per day and would be derived from the McLeod and Stockmen wells. Negotiations with other companies are under way.

In financial circles this is taken to mean the beginning of a real fight between the Calgary Power Company and the Canadian Western Natural Gas, Light, Heat and Power Company, Ltd., the present suppliers of natural gas to Calgary and other points in Southern Alberta. The latter company formerly had a franchise with the city, but it does not possess this at the present time. It is perhaps significant, in face of the action of the Calgary Power Company, that negotiations are being proceeded with at the moment between the Gas Company and the city for a renewal of the existing agreement. The city is demanding a reduction from the present rate of 38-cents per 1,000 cubic feet, which was set by the Public Utility Board of Alberta, and there is a strong rumor that the company would be agreeable to accept the old rate of 35-cents if a charter were again granted.

Lethbridge Provided First Fight

This is the first move of the Calgary Power Company, which controls hydro development on the Bow River, to enter the gas field. Both the Calgary Power Company and the International Utilities, parent organization of the Gas Companies in Calgary and Edmonton, have been extending their interests in Saskatchewan and Alberta during the past 18 months and the two interests met in their first hand-to-hand fight recently over the Lethbridge franchise.

Mr. Gaherty is not free at the moment to discuss actual plans in connection with his company's new move, but the control of a gas supply it is recognized, would leave several alternatives open to the company. It is possible, for instance, that it might build a line to the smaller towns north of Calgary; the company might contract for supplying gas to individual industries; or it might offer to lease and operate the city's steam power plant, using its own gas for this purpose.

Whatever the intentions of the company are, the securing of the gas options will undoubtedly place the company in a much stronger position and it is well within the realm of possibility that the "unwritten" exclusive rights of the Calgary Gas Company in supplying natural gas to Calgary will be keenly contested eventually.

WORD TRUST IS CONFINED PENDING LAW

Old Corporations' Objections May be Debated in Parliament

PLEAD PRIOR RIGHTS

Investment Companies' Use of Word in Titles May be Subject of Controversial Amendment Proposed

From Our Own Correspondent

OTTAWA. — Representatives of trust companies who were in Ottawa last week obtained from the minister of finance, the Hon. J. A. Robb, the promise that application for incorporation of investment trust companies will be held up pending definition of policy as to whether or not investment companies will be permitted to use in their title the word "trust."

The memorandum submitted by the trust companies says that the word "trust" by statute and common acceptance in Canada as used in titles of corporations or companies pertains only to trusteeship, that to use it in any other sense, in the title of a corporation, especially in conjunction with the word "investment," will, and does create confusion in the public mind, and that operation of the so-called "investment trusts," in no respect involves "trusteeship" or the duties of a trustee as so definitely laid down by Canadian law, common practice and as generally understood by the Canadian public.

Suggest Alternative

The trust companies are careful to point out that they do not object to the creation and operation of so-called investment trusts. On the contrary, representatives of the trust companies who have been interviewed by The Financial Post, state that they believe these investment companies, capably and honestly conducted, fulfill a useful purpose. It is their contention, however, that the trust companies with trustee powers have a prior right to the use of the word "trust" in their titles and that to permit its use by other corporations operating under less rigid laws and without trustee powers is not fair, and fraught with possible danger.

If investment trusts are to be permitted to use the word "trust," it is contended, the investment companies should be compelled to submit to government inspection similar to the inspection of trust companies with trustee powers.

It is pointed out that in Canada, a trust company's operations are circumscribed by law of the Dominion, and of most of the provinces, in a way that trust companies are not circumscribed in any other country. The trust companies as a class have welcomed the rigid restriction of the laws of the country, the consequences of which, it is declared, have been to upbuild in the public mind a significance to the word "trust" in the titles which is unique and a peculiar asset to the companies with trustee powers.

An amendment to the Companies Act possibly will be introduced in the present session of parliament, which will definitely confine to trustee companies, the use of the word "trust" in their titles. If the petition of the trust companies eventually does not receive the sanction of parliament, it is possible that they, as a body, will then petition to have the law changed so that they will be entitled "trustee corporations." This course would involve changing the titles of upwards of 50 companies, some of which have possessed their present titles for generations, whereas there are only three or four so-called investment trusts so far in the Dominion.

The proposed amendment to prohibit the use of the word "trust" by investment corporations undoubtedly will be controversial and will be fought by the opposition. It is practically certain that the Rt. Hon. Arthur Meighen, who obtained the first incorporation of the kind in the Dominion, will appear before the banking and commerce committee to defend the present position and prevent the measure from becoming law. Any amendment, it is believed, would be retroactive.

Market Break Not Reflected in Pure Gold

Continued steadiness in the common stock of Pure Gold Mfg. Co., through the slump in the Canadian stocks is a reflection of improved conditions within the company. A more aggressive marketing policy and general betterment in the trade has resulted in an increase in business which will mean profits for the year of about $3 the share, compared with $2.40 per share in the year ended last June 30th.

Every month since last July is reported to have shown an increase in business over the corresponding month of the previous year. Prices have been satisfactory and expenses have not increased disproportionately.

The company, on its own account and through subsidiaries, Thomas B. Greening & Co., and Todhunter, Mitchell & Co., blends and markets spices, teas and coffees, and manufactures jelly powders and certain confections. The business is more than half a century old, and is considered to have a valuable asset in its goodwill with the public and with the trade.

TRAIL ORE RECEIPTS

The Consolidated Mining & Smelting Company reports ore receipts at Trail Smelter from 15th February to 21st February, 1928 inclusive, and from 1st January, 1928, to date, in tons, as follows:

Company's mines	10,133	[illegible]
Other mines	1,875	[illegible]

Decline Merely Incident; Future is Not Dimmed

Only Traders With Scant Margin Need Worry if Stocks of Sound Companies Recede in Re-adjustment Periods

In its issue of February 3rd, The Financial Post suggested that investors with faith in Canada's future need fear little if they keep their margins up. Anyone who kept his margins up was not hurt by the recent slump in the Canadian stock market.

What the immediate future holds for the Canadian stock market is a matter of opinion. Opinions differ. But the investor who buys outright or on substantial margin will find that there is universal confidence in the future of the country and the future of Canadian industr.

Elsewhere in this issue will be seen a chart which demonstrates that, over a period of months, the Canadian stock market keeps well in line with the New York market. What happens in the New York market, therefore, is of paramount interest to holders of Canadian stocks.

One of the best authorities in the United States points out that during the last few weeks there have been unmistakeable evidences of improvement in some of the most important lines of industry. This being true, it follows that the stock market must be a reflection of industrial conditions, whatever readjustments may be necessary from time to time.

Fundamentally, there is nothing in the present situation to worry investors in sound industrial and utility stocks. The most unfavorable factor is a market pessimism which ought to give way to the considered judgment that the forward movement of business and industry must continue, although perhaps at a moderated pace.

Canadian Stocks Not Independent Yet of New York

Plotting Price Movements for Twenty-five Years Show How Close is Relationship

By SYDNEY B. SMITH

Canadian stock markets rise and fall with New York, some time a little behind New York but not always so. A careful study of the price trends in the two countries for the term of a quarter of a century shows how closely the two markets are related; to what a high degree they are influenced by the same factors.

There is nothing in the record to indicate that Canadian stock markets yet move independently of New York for any long period. The old theory that Canadian stocks follow New York with a lag of a few months cannot be accepted as always applicable.

Old Theories Examined

Consequent upon the uncertainty which surrounds speculative trading at the present time, there is widespread demand for research regarding the relative price movements in different markets. It has been freely asserted that average prices on the New York Exchange tend to effect a major movement considerably in advance of the Canadian exchanges and that a recession at the chief speculative centre, expected by some authorities during the present year, would not adversely affect the Canadian exchanges for several months. This argument is given a certain amount of plausibility by the fact that Canada has recently entered upon a phase of active development and our stock markets are reflecting a period of rapid expansion. The optimistic feeling has also been strengthened by the attitude of industrial leaders who are proceeding with organization and amalgamation in an energetic manner tending to inspire confidence.

It is thought that a careful study of the time relations of the major movements on the Toronto and New York exchanges during the last twenty-five years will present a definite answer to such arguments. The experience of a quarter of a century should be sufficient from which to establish tentative principles which would be of assistance in formulating a speculative policy.

Fundamental Basis of Operations

The investor spends his time in keeping informed as to daily developments, but he should also acquire a set of fundamental principles to serve as a background for his course of action, and this especially if he is something of a speculator.

For the purpose in hand, curves were plotted of the indexes of industrial stock prices on the Toronto and New York exchanges by months from 1903 to the present time. In view of the nature of the original data a break was made at the end of 1918, thus dividing the 25 year period into two parts. For the first period, the index of prices of industrial stocks listed on the Toronto stock exchange was prepared by the writer. The Dow Jones averages as published in the Wall Street Journal were used for the index of industrials listed on the New York exchange. During the nine year period after the World War, the official index of 31 industrial stocks of Canadian companies was taken as the original data for one curve, and an index of 25 industrials was used as the base for the curve of the New York stocks. The usual adjustments were effected, consisting of correction for the long-term trend and the placing of the variations from this trend on a common footing by expressing the index as multiples of the standard deviation. For the purpose of turning the scale into more convenient form, the normal line or the line of the long-term trend was taken as equivalent to 100 per cent. and one unit of the standard deviation as equal to 10 per cent.

Seven Major Periods

An examination of the chart covering the twenty-five years indicates seven major periods of rising prices and a like number of declining prices. The major movements though indented with minor reactions and rallies, are unmistakable. The Toronto and New York indexes follow a similar trend, although the similarity was more pronounced in the post-war period. The New York index was relatively lower in 1904 and relatively higher in 1906, 1909 and 1916. The Toronto index was relatively higher in 1903 and in 1912. In spite of these differences, the indexes from 1903 to 1918 correspond fairly closely in timing and direction. In some cases the Toronto index lags slightly behind the other but taken on the whole, the two indexes appear to be practically synchronous in moyement.

Relationship More Pronounced

In the post-war period the similarity is even more pronounced for here the timing and direction are not only closely related but the amplitude of the variations from the normal are also very similar. During the first 16 years of the period under review the time relationship was very close, although there was considerable variation as to the extent of the general rise or decline in certain years. In the last nine years, the close agreement, after the usual adjustments, in the extent of the price movement as well as in the timing and direction of those movements is also very pronounced.

For the purpose of confirming these conclusions, an attempt was made to measure numerically the degree of similarity. This was accomplished by determining the coefficients of correlation between the two indexes. The coefficients are simply numbers derived from all the items of the two indexes by a mathematical formula so contrived that 100 per cent. represents perfect agreement, compared with zero representing non-agreement or lack of correspondence. A coefficient below 50 per cent. signifies very low correlation; from 50 per cent. to 60 per cent., rather low; from 60 per cent. to 70 per cent., fair; and from 70 per cent. to 80 per cent, good.

Correlation of 80 Per Cent.

In cases under consideration, the coefficient of correlation was 40 per cent. for the first period and 79 per cent for the post-war years. In other words, correlation was low in the first 16 years and good in the last nine. In each case the correlation was found to be greatest for simultaneous items. That is to say when we correlate the items of one index with those for the other index with a lag or lead of one or more months, we obtained smaller coefficients than when each set of items was matched with the exactly simultaneous items of the other set.

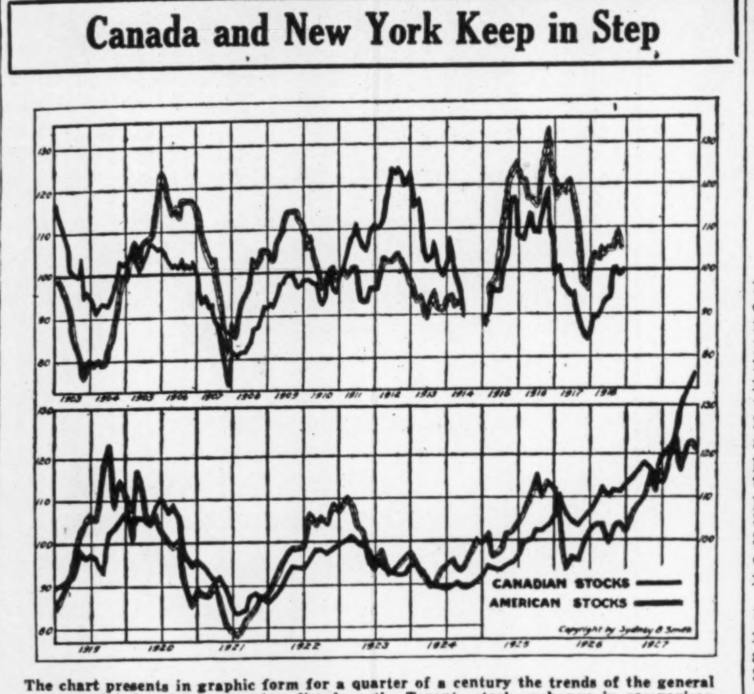
The general conclusion from the application of the mathematical process agrees with the results from the examination of the curves. The indexes resemble each other very closely in timing and direction in both periods, and in post-war years the similarity extends as well to the amplitude of the price range. Neither index tends systematically to precede or to follow the other. The experience of the last twenty-five years would discourage the trader on the constructive side from placing dependence in the theory that Canadian speculative markets are independent of external influences. It was therefore not surprising that marked declines at New York such as commenced on February 17th and the major rallies which inevitably will follow in due course, should be immediately reflected on the Canadian exchanges.

York Township Goes After Factories

Township of York, which is the most populous township in Ontario, (its population is exceeded by only six Canadian cities), is planning a drive for new industries. The township is adjacent to Toronto, immediately to the north and at present is a highly residential suburb. There are a number of industries but the township feels there should be more. Railway and power and other facilities are excellent.

R. D. Henderson has been appointed industrial commissioner for the township and will conduct the Go-Get-a-Factory campaign.

Canada and New York Keep in Step



The chart presents in graphic form for a quarter of a century the trends of the general average of industrial stock prices listed on the Toronto stock exchange in comparison with the New York averages. The indexes are adjusted for a long term trend and the average differences from the normal line are placed on a common footing. Though the agreement between the two adjusted indexes was closer in the post-war period than in the preceding 16 years, a decided similarity in both timing and direction was in evidence during the entire period. Aside from minor reactions and rallies, the two indexes tended to move upward or downward in unison.

STEEL TO PRESENT JOINT TARIFF PLEA

Present Applications Will be Withdrawn and Common Application Made

From Our Own Correspondent

OTTAWA.—Following conferences in the capital between J. H. Gundy, of Toronto, and Hon. J. A. Robb, minister of finance, and W. H. Moore, chairman of the Tariff Advisory Board, it seems probable that the various applications for tariff adjustment on iron and steel now before the board will be withdrawn and a common application will be submitted in their place by all the steel companies of Canada.

At the present time there are several applications awaiting a hearing. The British Empire Steel Corporation has one, and the National Trust Company, as an interested party in one of the Besco subsidiaries, has another. The Algoma Steel company has a third, and the Steel Company of Canada also has expressed opinions on the tariff question. There are many conflicts of opinion in these applications, and apparently Mr. Gundy has been told that if the steel companies fight one another before the board, there will be little opportunity for the government to assist them in the next budget.

Whether or not Mr. Gundy can bring about unity of opinion among the steel operators remains to be seen, but it is understood that he left Ottawa convinced of the desirability of doing so, and intent upon calling a conference at no far distant date for that purpose.

Mining Prospects is Company

A company known as Mining Prospects has been formed to develop holdings in Lochalsh Goudreau field. These were staked under the supervision of Fred A. Brandt, a veteran mining man, who has made particular study of Algoma areas. Plans are being laid for active development as soon as weather conditions permit and those in touch with the holdings and activities of Mining Prospects, Ltd., are of the belief that important results may be looked for under the aggressive and competent management assured to the organization.

Monthly Bank Clearings

(In comparison with same month last year)

MONTHLY BANK CLEARINGS

	Feb., 1927	Feb., 1928
Eastern Cities		
Halifax	$ 10,654,723	$ 12,003,121
Moncton	3,114,719	3,425,428
Sherbrooke	3,335,296	3,521,782
St. John	9,650,708	10,541,213
Quebec	23,027,666	23,656,046
Montreal	417,159,787	573,849,769
Ottawa	24,385,098	30,367,721
Kingston	2,548,911	2,970,245
Peterboro	2,922,940	3,297,153
Toronto	436,366,697	584,455,516
Hamilton	20,788,151	24,402,373
Brantford	4,301,350	5,504,667
London	11,278,790	12,272,195
Kitchener	4,103,735	5,131,635
Windsor	15,425,238	......
Sarnia	2,186,000	2,190,620
Chatham	2,930,759	......
Western Cities		
Ft. William	3,007,814	3,384,651
Winnipeg	156,794,000	190,710,596
Brandon	1,752,221	1,967,780
Regina	13,099,565	17,336,814
Saskatoon	6,206,500	8,927,808
Pr. Albert	1,399,649	1,656,217
Moose Jaw	4,253,127	4,633,335
Lethbridge	1,771,856	2,647,402
Calgary	28,452,441	50,317,543
Medicine Hat	996,612	1,627,393
Vancouver	163,110,185	87,811,268
New Westminster	2,713,978	3,138,409
Victoria	7,867,442	9,687,567

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Border Cities Company LIMITED
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TORONTO

ASBESTOS CORP. EARNINGS LESS IN LATEST YEAR

Unusual Weather Conditions Are Factor Affecting Profits

Asbestos Corp. report for 1927, compared with the 11-month showing covered in the preceding report, shows a surplus for the year of $173,199, after all charges including preferred dividends, being equal to 86 cents per share on the company's outstanding 200,000 shares of no par common stock. This compares with a surplus of $205,228 in the preceding report, equal to $1.02 per share on the common stock.

Profits from operations for the year amounted to $1,357,380, as compared with $1,237,008 in the preceding 11-month period. Income from investments at $107,314 brought total income for the year to $1,464,694. Deduction of bond interest at $469,568 and depreciation at $300,000 left net profit for the year of $695,126. Preferred dividends for the year amounted to $521,927, as compared with only $391,446 paid in the preceding year, leaving surplus at $173,199. Previous surplus brought forward at $205,228, left a profit and loss balance in the current report of $378-427.

The working capital position of the company is shown slightly higher at $2.932,812.

The president, W. G. Ross, in his remarks to shareholders points out that the year past had not been without its difficulties, due not only to the work being undertaken to coordinate the workings of the various mines and decision as to what mines should be operated and what should be reserved for future investigation, but the unusual weather conditions, both at the beginning and end of the year, could hardly have been worse.

Following is the profit and loss account for the two periods.

	1927	*1926
Profits	$1,357,380	$1,237,008
Invest. inc.	107,314	86,649
Total income	1,464,694	1,323,657
Bond interest	469,568	426,983
Balance	995,126	896,673
Depreciation	300,000	300,000
Net profit	695,126	596,673
Pref. dividends	521,927	391,445
Surplus	173,199	205,228
Prev. surplus	205,228	......
P. & L. balance	378,427	205,228

The working capital position compares as follows:

	1927	1926
Current assets	$3,457,818	$3,295,866
Current liabilities	525,006	417,426
Working capital	2,932,812	2,878,440

* Eleven months.

Nesbitt, Thomson Co. to Erect New Building

From Our Own Correspondent

MONTREAL.—A financial movement toward Montreal's uptown district is forecast by the announcement that Nesbitt, Thomson and Co. have purchased property at the corner of Lagauchetiere and Beaver Hall Hill, opposite the new Bell Telephone Company building.

Plans are in preparation for a ten-story structure to house the investment firm, the Power Corporation and its various subsidiaries, on this site which was formerly occupied by the Church of the Messiah. The price at which the property changed hands is said to be in the neighborhood of $80,000.

A year ago, Nesbitt, Thomson & Co. purchased the present head office of the Royal Bank, but a few weeks ago this was re-sold to the Provincial Bank.

Monarch Mortgage Profit is Growing

Monarch Mortgage & Investments had a net profit of $30,480 in 1927 after all expenses but income tax, compared with a net profit of $22,427 for the previous year. Dividends of 8 per cent. on the preferred stock are being paid, with 10 cents per share on the common. Mortgages receivable, etc., total $378,850, compared with $289,749 a year ago. Real estate, less first mortgages payable thereon, is held to the value of $21,221, compared with $9,057 under this head a year ago.

A year ago, the balance sheet showed as an asset goodwill to the value of $500,000, against which there was issued 50,000 shares of common stock. In the latest balance sheet, this item has been reduced to $100,000. There now are 100,000 shares of stock outstanding. Outside capital totals $278,-299, compared with $217,215 a year ago. The company's fiscal agents will continue to sell capital stock for some time. The business of the company is the discounting of second mortgages.

Vipond Consolidated's Production is Lower

Vipond Consolidated Mines reports for the three months ended January 31, 1928, 21,085 tons of ore milled, and bullion to the value of $149,400 recovered. Production is somewhat lower than for the previous quarter ending October 31, when 22,442 tons of ore were milled and bullion to the value of $154,000 recovered. Both tonnage and recovery for the last quarter is lower than the average rate for the twelve months ended July 31, when a total of 95,799 tons of ore were milled and bullion to the value of $704,899.87 recovered.

Wool Spinners Assail Ottawa Over Tariff

From Our Own Correspondent

MONTREAL. — Deputations are still the order of the textile day. Ever since the Robb budget was tabled in Parliament, there has been a virtual procession of manufacturers and textile interests to Ottawa, in an endeavor to clear up apparent anomalies and to plead the case of the woollen spinners.

As was expected, the woollen mills are divided in their reception of the budget. On the one hand the woollen spinners are protesting because of the manner in which protection on woollen yarns has been reduced; on the other hand the weavers and dyers of wools welcome the lowering of the tariff as a stimulus to the development of these processes in Canada.

There is general approval among the woollen spinners here, of the speech made in the house last week by A. M. Edwards, the conservative member for Waterloo South. Mr. Edwards pointed out that 40 per cent. of the textile manufacturer's wage bill went to pay spinners and dependent operators. A letter was read from a manufacturer in Mr. Edwards' constituency showing figures from his own records in support of this contention. Mr. Edwards also pointed out that there was only one cloth manufacturing plant in Canada which did not spin its own yarn, so that all except this one plant which is situated in Toronto, would be affected by the new tariff and would have to compete with yarn made under a 60 per cent. lower wage scale than is prevalent in Canada.

GRAIN EXCHANGE AND STOCK MART TO WORK CLOSELY

(Continued from page 1)

securities in Winnipeg could be of great advantage. Many small mining adventures are now being financed in the early development stages by western money. They are too small, as yet, to attract much attention in a larger market, but local trading in their securities might prove to be very useful.

Toronto and Manitoba

Trading in Manitoba mining shares now takes place on the Toronto market. For the larger operations, it may be necessary to continue that, but trading on the local market would tend to develop a larger measure of local interest, to make of greater value local interest and local judgment. It would tend probably to promote the investment of more local capital in different mining ventures and to enable an increased number of such ventures to be carried at least through the early stages, on the money that local investors are willing to risk. Such a development cannot be brought about merely by wishing for it. One of the first requisites is the provision for adequate trading facilities so that the local market can expand and take advantage of the opportunities offered to it.

Amalgamation of the Stock Exchange with the Grain Exchange, if that were feasible, would be one way of providing that and also of bringing about increased attention to the Winnipeg Stock Market. Since formal amalgamation appears to be out of the question, a closer relationship betwen the two bodies, such as forecast above, appears to be the most desirable outcome of the present discussions.

Prospects for the farming community in Invermere, B. C., neighborhood are opening up well, according to the annual report of the Co-operative Creamery Association.

Manitoba has decided to have a department of mines and natural resources with Premier John Bracken as minister in charge and Prof. R. C. Wallace as commissioner.

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These two openings offer unusually attractive connections for men with the proper qualifications. Interested applicants should provide complete details in the first letter, preliminary to a personal interview. All replies will be treated in confidence.

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THE FINANCIAL POST
153 University Ave., Toronto, Ont.

ATLANTIC SUGAR PROFITS LOWER FOR LAST YEAR

But Balance Sheet Reveals Gradually Improving Financial Position

Difficult conditions in the sugar industry account for the decrease in earnings of Atlantic Sugar Refineries for the fiscal year 1927, as compared with the previous year. The net profit, less income taxes but before bond interest and depreciation, was $678,448, compared with $1,-206,892 in 1926, $1,246,391 in 1925 and $964,104 in 1924. In 1927, after payment of bond interest, bank interest and similar charges, and appropriation for depreciation, a total $30,638 is carried to surplus with $24,150 received by way of discount on bonds redeemed through sinking fund.

Some changes are noted in the balance sheet. Cash is increased from $76,107 to $182,316. Accounts and bills receivable are reduced from $679,883 to $144,325. Investments are up from $139,825 to $631,975 and inventories are reduced from $1,607,781 to $1,103,984. Accounts payable and accrued charges total $175,876 compared with $169,482 a year ago. No bank loans are shown, although $700,000 was shown under this head a year ago and $1,600,000 two years ago.

Boom in Beer Aid to "Glass" as Year Opens

From Our Own Correspondent

MONTREAL.—It is understood the Dominion Glass Company has increased its business materially this year by orders from the various brewers and distillers who are making preparations for a year even more active than 1927.

The Dominion Glass Company is about the only organization headed by Sir Sharles Gordon with a balance sheet which does not show a remarkably strong position. However, Dominion Glass' liquid position is better than excellent and the only unfavorable point about the balance sheet is the fact that it carries among its assets $3,000,000 under goodwill account. In the liabilities though, surplus and reserves amount to figures greater than the goodwill assets.

Since the close of 1925 the company has steadily bettered its position. As the outlook for the future is excellent, there can be little doubt that ultimately some action will be taken to eliminate entirely the goodwill figures on the balance sheet. At the close of 1923 the company carried its goodwill at $4,240,920. This has since been reduced to $3,106,920.

NATION'S BUSINESS

(Continued from page 1)

present method of book-keeping is neither wholly one nor the other of the two systems indicated, either one of which might be correct. The Dominion government includes in its debt many millions of dollars spent on railways and on advances to the Canadian National Railways; some of the advances representing an equity in the line because the money was spent on capital account and some of it representing no assets whatever, because the money was used to pay interest or to meet operating deficits. One finds it impossible to judge from the balance sheet of the Dominion of Canada what of its debt is represented by water that has gone over the dam and what of it can properly be charged against our investment in the Canadian National Railways.

• • •

THE balance sheet of the Canadian National Railways is equally unilluminating. The Canadian National Railways show assets of $2,111,-405,467, most of it included under the item of investments in road and equipment. Its liabilities include its debt, represented by bonds in the hands of the public, amounting, as shown above, to $835,000,000. They also include the nebulous, meaningless item of $1,225,000,000 due to the Dominion government.

He would be foolishly optimistic who ever expected the Canadian National Railways to pay back to the Dominion of Canada in surplus earnings that billion and a quarter. It is unfair to expect the industries and producers of Canada to bear a burden of railway rates that would even pay interest on such a large sum plus the interest on the additional sums that must be borrowed to maintain the Canadian National Railways at the peak of efficiency.

• • •

SO LONG as the balance sheet of the Canadian National Railways means nothing it will be difficult, if not impossible, to judge of the real extent of the progress of the system. We can go on borrowing money for the railways either directly or through the Dominion government but we will not know whether or not the railways earnings actually justify the borrowing or not. And that after all is the real test of whether or not our railway borrowings add to our public debt. If the borrowings are for productive capital investments that will pay their way there is no need to consider them an additional burden upon the taxpayer. If they are for unproductive purposes then the country should know.

Sir Joseph Flavelle has urged that the capital structure of the Canadian National Railways be revamped on the basis of earning power. Sir Henry Thornton has urged this. The Senate Committee on Railways has expressed a similar view.

• • •

ANY private company with a deficit in its balance sheet of $400,-000,000 and with a debt of a billion and a quarter to a creditor who had mentally, if not actually, written practically the entire sum off his books would have been recapitalized long ago.

If the Canadian National Railways were recapitalized and started off with a fair balance sheet that represented truly the present situation of the line, was required to do its own financing and to earn the fixed charges on all additional sums borrowed, the executives of the line could be judged upon the results revealed in the successive balance sheets. And there would be no bickering as to whether or not a certain railway loan ought to be charged against the net debt of the country or otherwise. We would know what our railways were doing and what they were not doing.

Winnipeg Electric Co. May Split Its Shares

From Our Own Correspondent

MONTREAL.—As the legislature of Manitoba has authorized the Winnipeg Electric Company to split its shares, it is probable that the management will announce comparatively shortly a split in the stock. Should the shares be split two ways, it would mean that the new stock would probably go on a $2 dividend basis. This would be equivalent to $4 on the present stock.

Some time ago The Financial Post indicated that there was every likelihood of the company paying $4 on its present outstanding stock during 1928. One rumor has it that the shares are to be split four for one.

Railway Earnings

Week end. Feb. 21	1928	1927	Changes
C.P.R.	$3,479,000	$3,216,000	+ [illegible]
C.N.R.	4,560,284	4,257,104	+ [illegible]

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Also very fine English-made Suede Jackets in mouse and brown shades with knit or leather collar. Simpson's price, $25.00.

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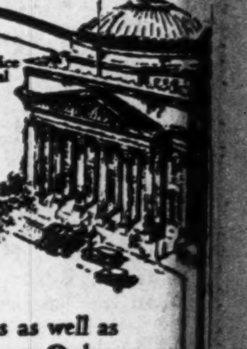

FOR SETTLING SMALL ACCOUNTS

Where it is not desirable to pay by cheque, many business houses as well as individuals regularly use the Money Orders issued by the Bank of Montreal.

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Established 1817
Total Assets in excess of $830,000,000

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Chartered by the Act of the Dominion Parliament

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Total Assets over $260,000,000.

INCORPORATED A.D. 1851

Western Assurance Company

Fire, Inland Marine, Ocean Marine, Registered Mail & Tourists Floaters, Automobile, Burglary, Guarantee, Accident, Sickness Liability and Plate Glass Insurance

FINANCIAL STATEMENT, JANUARY 1st, 1928

ASSETS

Government Bonds	$1,191,535.63
City Bonds	429,978.45
Railroad Bonds	454,960.00
Corporation Bonds	2,191,111.95
Stocks	1,442,976.86
Real Estate	175,290.00
Bills Receivable	26,065.29
Accrued Interest	73,580.80
Balances due from other Companies	249,333.87
Cash in Banks and on hand	1,163,826.86
Agents Balances	$1,004,797.99
	$8,403,457.70

LIABILITIES

Balances due other Companies	$ 424,702.45	
Losses under adjustment	$1,370,735.91	
Sundry Items	1,870.87	
Dividends declared, payable 3rd Jan., 1928	73,000.00	
		$1,870,309.23
SPECIAL RESERVES		
For Taxes	$ 104,472.00	
For Expenses and Contingencies	176,980.42	
For Possible Unreported Losses	125,000.00	
		$ 406,452.42
SECURITY TO POLICYHOLDERS		
Unearned Premium Reserve (on Canadian Government Basis)	$3,135,512.40	
Capital Stock	1,400,000.00	
Surplus	1,591,183.65	
		$6,126,696.05
		$8,403,457.70

LOSSES PAID SINCE ORGANIZATION OF THE COMPANY IN 1851.....$100,470,634.33

	1926	1927	Increase.
ASSETS	$7,444,005.28	$8,403,457.70	$959,452.42
POLICYHOLDERS' SURPLUS (including paid-up capital)	2,514,865.35	2,991,183.65	476,318.30
PREMIUM INCOME	5,282,319.76	5,654,967.88	372,648.12

Board of Directors

WILFRID M. COX, *President of the Company*

SIR JOHN AIRD, President, Canadian Bank of Commerce
COL. HENRY BROCK, Vice-President, The W. R. Brock Co., Limited
ROBERT BICKERDIKE, Director, Canada Life Assurance Company
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T. G. McCONKEY, General Manager, Canada Life Assurance Co.
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E. F. GARROW, *Assistant General Manager;*
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Head Office, 16-22 Wellington Street East, Toronto

Brilliant Future is Seen for C.P.R.

American Analyst Feels That Segregation of Assets is Not Only Factor Likely to Put Stock on Higher Level in Markets

Ordinary shares of Canadian Pacific Railway present a picture of present investment worth supplemented by the probability of much greater things to be accomplished in the years to come, and, from the standpoint of the future in particular, are far from being excessively valued in the present market.

This is the opinion of the Magazine of Wall Street, which publishes an article on C.P.R., written by G. F. Mitchell.

Different from U.S. Lines

Operating by far the largest mileage of any privately owned railroad on this continent, Canadian Pacific Railway Co. differs in so many respects from carriers in the United States as to be virtually a law unto itself as far as the usual standards of appraisal are concerned. The really fundamental distinction is to be found in the absence of the excessive governmental regulation to which the carriers in the United States are subjected, the greater freedom of action permitting a broader field of activities and immunity from threat of earnings recapture, as well as being conducive to a permanently greater degree of confidence on the part of investors. This psychological advantage goes a considerable distance in accounting for the consistently higher market levels prevailing for Canadian Pacific ordinary shares on the New York Stock Exchange in relation to common stocks of railroads most comparable to it on the basis of tangible factors.

A considerable part of the interest inspired in Canadian Pacific is predicated on non-railroad activities, which are carried on to a far greater extent than would be countenanced in the United States by the Interstate Commerce Commission under its policy of regulating railroad affairs in this country, another manifestation of the fundamental difference in status already mentioned. These activities include the ownership and operation of a large fleet of ocean and coastal steamships, operation of a chain of hotels, and the handling of its own parlor and sleeping car lines, grain elevators, express, telegraph and news services.

Has 5,000,000 Acres of Land

The sale of land likewise represents an important source of income. At time of incorporation in 1881 the company received a land grant of more than 25 million acres which has been disposed of little by little until at last accounts there remained between five and six million acres. This item runs into several million dollars annually on the average, but, as it constitutes a liquidation of assets, the proceeds do not appear in the income statements but are simply credited to surplus accounts. Funds derived in this manner go a long way toward eliminating new financing which would otherwise be necessary, and the cash holdings alone provide considerable leeway for minor expansion requirements.

The working capital position resembles more closely that of a powerful industrial enterprise where the need for ample liquid assets is generally more urgent than in the case of the average railroad. The 1927 year-end balance sheet is not yet available, but the statement of a year earlier revealed a net working capital of over 60 millions, cash on hand amounting to 42.8 millions and total current assets more than four times current liabilities. Aggregate assets of all kinds, as carried on the books, were in excess of 1.1 billion, while the tangible asset value per share of stock was about $184, a figure not far below the current market of the ordinary shares.

Can Increase Special Income

Non-railroad earnings, segregated in the income statement as special income, provide 3 per cent. of the total annual dividend on the ordinary stock of 10 per cent. Special income normally averages around 11 millions as against 3 per cent. dividend requirements of 7.8 millions on the basis of the ordinary stock capitalization in effect for many years prior to the increase recently authorized. There are presently to be 3.35 million shares outstanding instead of 2.6 millions as was formerly the case. Inasmuch as 10.05 million dollars will then be required to meet a 3 per cent. payment on the enlarged amount, it is evidently the intention to disburse in the future a considerably larger proportion of special income, if the same arrangement in regard to sources of dividends is to be continued, unless, of course, special income can be increased correspondingly. This prospect is accountable, at least in part, for the unusual activity in the stock prevailing in recent weeks. As far as 1927 is concerned, it has been officially announced that non-railroad income will be shown to have been little if any greater than during the previous year.

Report Segregation of Assets

Another factor in the situation is the belief in some quarters that a segregation will be made of extraneous assets, a report that is difficult to submerge despite repeated denials. The management apparently feels that the varied nature of the outside activities provide a stabilizing influence in support of the major railroad operations, and that they can be handled more effectively through unified rather than separate operation. Probably the true value of the non-railroad assets would be more clearly revealed in the event of segregation, but, on the other hand, it would have the effect of removing the element of mystery now prevailing to a certain extent, and, as long as the possibility always exists, stockholders are just as well off in the possession of these equities and in continued anticipation of future developments concerning them.

A considerable part of the speculative interest in Canadian Pacific arises in connection with company's substantial holdings of Consolidated Mining & Smelting stock. This is a highly prosperous mining enterprise with properties located in British Columbia chiefly devoted to production of silver, zinc and lead. In reflection of the rapidly mounting earnings in recent years, the stock, of which Canadian Pacific at last accounts owned slightly under one-half the outstanding amount, has soared to market levels well in excess of $250 a share, giving a total market valuation of approximately 67 million dollars to these holdings. Dividends from this source are included in special income. With extras, they amounted to $12.50 per share in 1927, the equivalent of about 3 million dollars.

Low Cost Producer

Consolidated Mining & Smelting is one of the lowest cost producers of non-ferrous metals in Canada. Liberal dividends have not prevented an ample reinvestment of earnings in the properties which are undergoing continual augmentation and development. Subject to the uncertainties inherent in any mining enterprise, there appear to be grounds for the belief that this investment will prove increasingly profitable as time goes on. General activity in mining shares, particularly in Canada, undoubtedly contributed towards the spectacular upturn in Canadian Pacific stock at the close of last year, entirely apart from whatever influence may have been exerted by rumors as to segregation of non-railroad assets.

Future possibilities of Canadian Pacific are by no means confined to its investments and secondary activities. First and foremost it is a railroad, and upon the status of railroad operations will depend the worth of its securities as investments. Net operating revenues in 1926 made by far the best showing since 1917, and the same is true of share earnings on the ordinary stock which exceeded $14 for the first time in that nine-year period, the exact figure being $14.12 on 2.6 million shares. Gross revenues increased 14.7 millions over 1925 of which only 9.9 millions was absorbed by higher operating expenses, so that, measured by the gains in these items alone, operating ratio on the increased amount of business was less than 68 per cent. as against actual operating ratio on the entire volume of 77.3 per cent. This merely illustrates the manner in which it might be possible to save a further proportion of gross for net in future years if a constantly greater tonnage of freight can be obtained on the average. The tendency for many years has been towards a lower operating ratio, the figure of 77.3 per cent. comparing with 84.7 per cent. in 1920.

Need to Effect Economies

This desirable trend of operating results suffered an interruption in 1927. Gross revenues were again higher but on a much more moderate scale, 3.1 millions' gain as against 14.7 millions the previous year, which may be attributed to a combination of late crops and lower grain rates. In the face of this gain, however, net operating revenues declined about 5.4 millions, a direct result of higher wage scales established during the year. Operating ratio for last year retrogressed to 80.4 per cent., and inasmuch as the increase in operating expenses entailed in the item of wages is probably of a more or less permanent nature, it will be necessary to counteract it through economies which will develop naturally from a greater volume of tonnage from year to year.

The outlook for Canada's economic status strongly indicates the realization of materially greater total revenues over a period of years. The country, so undeveloped, as a whole, in comparison with the United States, appears to have reached a stage where rapid strides should be made in respect to the attraction of investment funds and new population, agricultural and industrial expansion, and exploitation of natural resources. Increase in the productive capacity of the pulp and paper industry alone, while still ahead of consumptive requirements, is of great importance, and will eventually mean a much larger freight movement of that type of products, whereas the mining industry within a relatively short time has assumed a commanding position. Wheat production is still the primary activity, and on the basis of the proportion of arable land now cultivated, this too is capable of material expansion. Canadian Pacific itself has been no small factor in the past in directly assisting development of this character and should continue to be a potent force in this direction.

Low Freight Density

Development of the more sparsely settled regions of Canada would be of almost incalculable benefit to Canadian Pacific because of its present low freight density as compared with railroads in the United States. The system runs all the way across the continent, from St. John, New Brunswick, on the Atlantic Ocean through Lower Canada to Vancouver, British Columbia, on the Pacific Ocean. Operating over 15,000 miles of road or around 40 per cent. of the total Canadian mileage, the balance being largely under control of the Dominion Government, and with a demonstrated ability to make the most of the resources at its disposal, the chance for a permanently higher standard of earning power is bound up with the future of Canada. Union Pacific, a typically strong railroad in the United States, has gross revenues per mile about 25 per cent. greater than in the case of Canadian Pacific. The former carries a materially greater freight tonnage on a far smaller aggregate mileage. Canadian Pacific, however, has the advantage of a low capitalization per mile, and if it could attain anything like the same standard of traffic density, the effect on earnings would be very marked. Whatever the future may bring forth in this respect, there is certain to be an uninterrupted need for reinvestment of surplus earnings in order to be properly prepared for potential expansion, and as a result holders of the ordinary stock for some time to come should base their hopes on enhancing equities rather than on any prospect of any increased cash return on their investment.

Stock Is Chief Capital

In contrast to the situation generally existing among railroads in the United States, Canadian Pacific has a capital structure wherein stock predominates. Giving effect to the sale of new ordinary stock, there will be 435 millions par value of preference and ordinary stock against 343 millions in funded debt, exclusive of certain obligations, guaranteed as to interest only, of railroads controlled by stock ownership, of which the most important is Minneapolis, St. Paul & Sault Ste. Marie. The funded debt uniformly bears a low interest rate, and the bulk of it consists of what is known as Perpetual Consolidated 4 per cent. Debenture Stock, which is in the nature of a general mortgage upon the entire property without maturity. The preference stock, the only stock issue prior to the ordinary stock, likewise is limited to a 4 per cent. return, and as a result total annual charges on obligations prior to the equity shares consume only about one-third of net revenues, a condition responsible in part for the high degree of stability in the ordinary stock.

Canadian Pacific Improvements in Brief

	Gross Operating Revenues (Millions)	Net Operating Revenues (Millions)	Oper. Ratio (%)	Special Income (Millions)	Share Earnings	Dividend Rate (%)	Price Range High	Price Range Low
1918..	$157.5	$34.5	78.1	$7.9	$10.97	10	175	135
1919..	176.9	32.9	81.4	9.0	10.80	10	171	126
1920..	216.6	33.2	84.7	11.0	11.39	10	134	109
1921..	193.0	34.2	82.3	11.0	11.52	10	124	101
1922..	186.7	36.3	80.6	11.1	11.66	10	152	119
1923..	195.8	37.5	80.9	11.4	12.01	10	160	140
1924..	182.5	37.2	79.6	10.0	11.01	10	156	143
1925..	183.4	40.2	78.1	11.4	12.53	10	152	136
1926..	198.0	44.9	77.3	11.1	14.12	10	170	146
1927..	201.1	39.5	80.4	NF	NF	10	219	165

NF—Not available.

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DOMINION STORES' RIGHTS VALUABLE ON NEW SHARES

Annual Report Shows Substantial Increase in Earnings

Annual report of Dominion Stores shows earnings of $6.44 per share before taxes, compared with $5 in 1926 and $4.05 in 1925. The meeting of the shareholders in Toronto on February 27th was noteworthy in that an increase in dividend to $3 the year from $2.40 was announced. It was somewhat of a surprise, moreover, that the stock to be issued to shareholders on the basis of one new share for each ten held will be sold by the company at $30 the share. At present prices, this makes rights worth in excess of $8 the share.

The accompanying table graphically illustrates the growth of the company. In 1921, the company operated 121 stores, did a gross business of $3,481,153 with a profit of 1.68c. per dollar of sales and earned $1.41 on the then outstanding common stock. In 1926 the company operated 423 stores, did a business of $15,256,977 with a profit of 2.7 cents per dollar of sales and earned $5 per share on the then outstanding common stock. In 1927 the gross business was $19,280,715 and the profit per dollar of sales was 2.75 cents.

Working capital has grown from $187,755 to $1,723,537 since 1921.

Expands in Two Provinces

R. W. Jameson, first vice-president and treasurer, informed the shareholders of progress made during the year in the opening of new stores and otherwise adding to the facilities. The central warehouse at Toronto is being doubled in size to 100,000 sq. ft. and 10,000 sq. ft. have been added to Montreal warehouse. Bakeries have been built at Montreal and London and the operation of the London bakery had relieved congestion at Toronto. Mr. Jameson also pointed out that profits would have been greater in 1927 had the company not experienced the expenses necessary in the opening of so many new stores.

The company now operates stores as far north as Timmins and as far east as Chicoutimi. It was intimated that the company is aware of possibilities in other provinces, but that for the present expansion would be confined to Ontario and Quebec.

At the beginning of 1927, outstanding stock of Dominion Stores totaled 75,000 shares. Issue of 10 per cent. of additional stock at $40 the share brought the total to 82,500 shares. A further 10 per cent. at this time will bring the stock issued to 90,750 shares. There is no funded debt and the preferred stock was redeemed in 1926.

Market Record

Year	High	Low
1923	27¼	26¼
1924	36	24½
1925	72¾	28½
1926	70¼	56
1927	108¾	65
1928*	129	104½

*To Feb. 27.

How Dominion Stores Have Grown Since 1921

Year		Stores	Gross sales	Net prof.	Prof. per $ of sales	Working capital	Earn. per com. share	Div. on common
1921	....	122	$ 3,481,153	$ 58,245	1.68c.	$ 187,755	$1.41	....
1922	....	191	5,059,509	100,092	1.98c.	396,418	2.43	....
1923	....	285	7,663,653	131,206	1.71c.	648,365	2.64	$1.00
1924	....	354	10,348,233	187,299	1.81c.	579,835	4.89	1.00
1925	....	386	12,616,588	291,849	2.31c.	1,123,596	4.05	1.00
1926	....	423	15,256,877	412,245	2.70c.	1,317,960	*5.00	2.40
1927	....	510	19,280,715	†531,145	2.75c.	1,723,537	6.44	2.40

*Outstanding preferred redeemed July 1, 1926, at $15 premium.
†Before taxes; 1926 taxes totaled $33,707.

Loblaw Chicago Venture Begins With Ample Cash Officials Expect Success

Plans are almost completed for the opening by Loblaw Groceterias, Inc., of a large number of stores in Chicago, and officials of the company, after a thorough and comprehensive survey, are confident of a success which will react to the benefit of the company heretofore operating exclusively in Western New York. The sale of $1,500,000 new capital in preference stock at par gives ample capital.

The new company starts off with no arrears of dividends on preferred stock. The prior preference and second preference stock of the Buffalo company will be retired. The arrears will be paid in new preferred stock.

In informal discussions of the plans for the Chicago venture, a high official gave the impression that the Canadian company, which has held 2,600 shares of the total of 3,600 shares of common in the former Buffalo company, would hold less than half the common stock in the new company. It has since been pointed out, however, that the Canadian company will own 28,600 shares of common of 56,033 to be issued. A total of 26,000 shares would have given the Canadian company effective control in view of the scattered nature of the remaining holdings. But the additional 2,600 shares represents slightly more than 51 per cent.

Issue Official Statement

The Canadian company originally put no capital into the Buffalo company except by way of temporary advances. For this and the services of officials the Canadian company received 2,600 shares of the common stock. Later, in 1926, common stock holders were asked to subscribe to prior preference stock on the basis of one preferred for one common. The Canadian company then put in $260,000.

Since the publication of the preliminary article in The Financial Post, an official statement has been prepared on behalf of the Canadian company which sets forth in detail the changes in capitalization of the Buffalo company and explains its effect on the Canadian company. The statement follows in full:

The present American company has 3 classes of shares; namely, 10,000 prior preference 7 per cent. stock of the par value of $1,000,000, of which 5,033 shares of the par value of $503,300 have been issued; 2,400 shares of 12 per cent. preferred stock of the par value of $240,000, of which 2,388 shares of the par value of $238,800 have been issued; and 3,600 common shares without par value. Of the 3,600 common shares without par value, the Canadian company hold 2,600 shares. When the prior preference stock was authorized in 1926, the common shareholders of the American company were asked to take 1 share of prior preference stock for each common share held by them, and, accordingly, the Canadian Company took up 2,600 prior preference share of the par value of $260,000.

In the re-organization of the American company, there will be only 2 classes of stock: 30,000 shares of preferred 7 per cent. stock of the par value of $3,000,000 and 100,000 shares of common stock without par value. The holders of prior preference shares in the old company are entitled to 1 share of new preferred stock and 1 new common share for each share of prior preference stock now held; the holders of the 12 per cent. preferred stock are entitled to 1½ new preferred shares for each 12 per cent. preferred share now held; and the common shareholders are to be entitled to 10 new common shares for each common share now held. Therefore, the Canadian company will have 26,000 common shares in respect to its present holding of 2,600 common shares, and will also be entitled to 2,600 new common shares in respect to its holding of prior preference shares, making a total of common shares held by the Canadian company of 28,600.

To Fund Arrears

The arrears of dividends on the present prior preference stock (which arrears are for less than 2 years) and on the 12 per cent. preferred stock will be satisfied by the issue of preferred stock in the new company. The outstanding capital of the new company, when the financing is completed, will be as follows:

Preferred Shares .. 24,750 shares
Common Shares .. 56,033 shares

It will, therefore, be seen that the Canadian company will still hold the majority of the common shares of the new company.

Mr. Loblaw and his associates have underwritten 1,500,000 of the new 7 per cent. preferred stock, and, in consideration of the underwriting and other considerations, 15,000 shares of the new no-par common stock will be issued to them. $500,000 of this underwriting, $500,000, it is reported, has been sold privately in Canada and United States, and the purchasers will get, out of the common shares to be allotted to Mr. Loblaw, one-half share of common for each share of $100 preferred. Mr. Loblaw is retaining $250,000 of the preferred. It is understood that his associate, who has been conspicuous in company financing in Canada and United States within the last few years, is retaining his entire share of the underwriting.

MERGER MEANS ARNOLD BROS. WILL CONTROL

Present Holders Will Have 75% of Stock in New Company

Consolidated Food Products, Ltd., will be the name of the holding company operating Arnold Bros., Ltd., and Pure Food Stores. In the combined chain will be 126 stores, of which 68 have been in the Arnold chain and 58 in the Pure Food chain. The exchange of shares will place holders of Arnold stock in control of the enlarged enterprise.

Shareholders in Pure Food Stores will receive two shares of Consolidated stock for each share of Pure Food. Arnold Bros. holders will receive one share of new stock for one of Arnold Bros. On this basis, assuming that the proposal is accepted by both groups of shareholders, the new company will have outstanding 104,500 shares of common stock. The authorized capitalization will be 200,000 shares, the balance remaining in the treasury for future financing and to take care of possible conversions of Arnold Bros. preferred stock.

Preferreds to Remain

It is understood that, for the time being, the preferred stocks of the two companies will not be affected. Pure Food Stores outstanding capitalization consists of $150,000 of 7 per cent. cumulative first preferred; $200,000 of 7 per cent. second preferred and 11,500 shares of common of no-par value. Arnold Bros. outstanding capital consists of $1,300,000 of 6 per cent. first mortgage bonds, $1,011,500 of 7 per cent. cumulative preferred stock and 81,500 shares of common of no-par value. The preferred dividends are in arrears for three quarterly periods.

Economies Expected

Pure Food common is quoted by unlisted brokers at 28 asked and none offered. Arnold Bros. common has fluctuated on the Toronto exchange between 14 and 19 in the last several months.

The letter to Arnold Bros. shareholders is signed by T. A. McAuley, president, who is credited with having brought about the proposed merger. The letter to Pure Food shareholders is signed by M. Zahler, president.

Probable economies in administration and centralization and concentration of buying ability are cited as the reasons for the merger which brings together two groups of food stores, one of which has confined its operations to Montreal, Ottawa and contiguous territory, and the other which has been operating in Toronto and other cities in Ontario.

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DUKE-PRICE POWER PROFITS INCREASED

Increasing Earnings Tend to Improve Profits of Shawinigan

From Our Own Correspondent

MONTREAL.—The annual report of the Duke-Price Power Company for the 1927 fiscal year showing such a decided increase in the earnings will naturally be welcomed by the bond holders, but it will be especially welcomed by the shareholders of the Shawinigan Water and Power Company which owns about 25 per cent. of the stock in the Duke-Price Power. Moreover, the turbine generators in the plant have been and will continue to be augmented so that earnings for the future should be largely increased.

The results of the past year's operations are seen in the following comparison of income accounts over the past three years:

	1927	1926	1925
Oper. rev. ..	$3,123,526	$1,113,634	*$188,671
Op.& gen.exp.	470,470	207,811	83,158
Net revenue	$2,653,056	$ 905,823	$105,513
Misc. int. rev.	66,629	604,539	8,278
Total income	$2,719,685	$1,510,362	$113,791
Int. bonds, etc.	2,341,351	1,664,500	720,000
Net bef. dep.	$ 378,334	†$154,138	†$606,209
Depreciation	315,894	......	......
Net income ..	$62,440	......	......
Add surplus ..	46,091	......	......
§Surplus	$108,531	......	......

†Net loss.
*Partial operation of plant commenced in May, 1925.
§As at December 31, 1927.

The balance sheet shows that the company occupies a satisfactory liquid position. Total current assets are $1,937,385, which is made up as follows: Cash, $157,426; marketable securities, $261,000; notes and accounts receivable, $1,457,251; materials and supplies, $61,708. Current liabilities amount to $1,681,759, made up of bills payable of $1,268,009 and accrued interest of $413,750, which leaves a net working capital of $255,626.

Forms Real Estate Firm

W. H. BOSLEY, of W. H. Bosley & Co., a new Toronto real estate firm. Mr. Bosley has been actively engaged in the real estate business in Toronto for sixteen years, until recently with the union Trust Company and prior to that with H. H. Williams & Co.

ST. MAURICE POWER IN STRONG POSITION

Increasing Earning Power Affects Shawinigan Favorably

From Our Own Correspondent

MONTREAL.—As the St. Maurice Power Company is being completely acquired by the Shawinigan Water and Power Company, the report of the subsidiary covering the 1927 year is of little more than academic interest. However, the improving position of this component company is of interest to Shawinigan shareholders. The significant point about the balance sheet of the St. Maurice Power Company is the decided betterment that has taken place in its liquid position during the year. Current assets now are largely in excess of the current liabilities.

The improved earning power position of the company is revealed in the following comparison of profit and loss figures over the past three years:

	1927	1926	1925
Revenue	$1,263,517	$1,031,379	$807,386
Expenses	236,489	210,752	146,030
Balance	$1,027,027	$ 820,627	$661,356
Bond int.	650,000	650,000	650,000
Balance	$ 377,027	$ 170,627	$ 11,356
*Reserve	219,000	170,000	11,000
Balance	$ 158,027	627	356
Divids.	144,000	......	......
Surplus	$ 14,027	$ 627	$ 356
Prev. surplus	983	356	......
P. & L. bal. ..	$ 15,010	$ 983	$ 356

*For depreciation and contingencies

Most Successful Year Recorded for Legare

P. T. Legare Co., has had, during 1927, the most successful year in its history, both sales and profits have exceeded all previous records. The new year also has started off exceedingly well for the company, sales for January being 40 per cent. more than those for January a year ago.

The annual meeting of the company will be held in Quebec on March 5th. The annual report, however, will be in the hands of the shareholders some little time before that date.

E. T. TELEPHONE CO. EARNINGS LARGER

1927 Annual Statement Shows Good Progress at Sherbrooke

From Our Own Correspondent

MONTREAL.—The annual report of the Eastern Townships Telephone Company covering the 1927 year shows a satisfactory increase in profits coupled with a betterment in the balance sheet position. The result of the year's operation can be seen in the following comparisons of income account figures over the past two years:

	1927	1926
Gross revenue	$86,352	$83,461
Op. dep. and taxes	67,248	65,754
Interest	7,199	7,657
	$11,905	$10,050
Dividends	4,015	3,474
Total surplus	$ 7,890	$ 6,576

The balance sheet shows an increased investment in plant of over $6,500, with no increase in the bonds or stock issue and the complete elimination of $7,000, which last year appeared among the liabilities in the form of a note in favor of the Bell Telephone Company. The income account shows that $11,806 was deducted from profits for depreciation as against the figure of $11,454 last year. Current assets are largely in excess of current liabilities.

A. C. Skinner, the president, in his remarks to the shareholders, points out that during the year there was an increase of over 4 per cent. in the company's subscribers. The company recently purchased the Asbestos Telephone Company. The purchase will add one central office and 70 new subscribers to the company's lines.

Several extensions to the lines were completed during the year, and the improved balance sheet of the company, together with the increased earnings, confirms the optimistic remarks of the president in the annual report.

Charles Gurd and Co. Revamps Capital Issue

From Our Own Correspondent

MONTREAL.—The management of Charles Gurd & Company has announced that it is to issue the balance of its common stock amounting to 7,750 shares to the shareholders at $70 per share on the basis of one new share for every three now held. The shares will then be split on a two for one basis. The proceeds of the new financing will be used to redeem the company's only liability of any consequence, namely, the $300,000 mortgage. Following some renovations to the plant, a portion of the outstanding preferred issue will also be redeemed. The new stock will be offered to the shareholders on record April 1, next.

The split in the shares will, of course, be delayed until the necessary authority of the shareholders has been obtained and until the necessary legal formalities are completed.

Upon the completion of these proposals, which have been recommended by the board, the outstanding stock of the company will have been increased from 22,250 common shares to 60,000 shares.

No definite decision has been made touching the erection of a new building, but the matter is being studied by the management. If tenants can be found willing to pay a satisfactory price for some of the space in the new building, no doubt the project will go

Insurance Superintendent Never Advised Stock Call

From Our Own Correspondent

MONTREAL.—Actions and counter development in the actions and counter actions between B. Hal Brown and the shareholders of the Prudential Trust drag along. The most important recent development was the denial by George Finlayson, the Dominion Superintendent of Insurance, that he had advised the management to make a call on the unpaid up capital stock. Mr. Finlayson, in the witness box, declared that, on the contrary, he had protested against the call and advised the improvement of the capital structure of the company by another means.

Three strikes of rich gold quartz have been found within the past fortnight in the areas controlled by the Novamac Mines and Power Corporation, Ltd., at Goldenville, Guysboro county.

March Bond List

Odd Amount Bonds at Attractive Prices

This list outlines the salient features of a wide range of Government, Municipal and Corporation securities. It will assist those who wish to ensure safety of principal and regularity of income.

It includes a wide list of "Odd Amount" bonds at especially attractive prices.

We shall be glad to add your name to our mailing list upon request.

36 King Street West, Toronto. Telephone: Elgin 4321.

Wood, Gundy & Company Limited

INCORPORATED A.D. 1833

BRITISH AMERICA ASSURANCE COMPANY

Fire, Inland Marine, Ocean Marine, Registered Mail & Tourists Floaters, Automobile, Burglary, Guarantee, Accident, Sickness, Liability and Plate Glass Insurance

FINANCIAL STATEMENT, JANUARY 1st, 1928

ASSETS		LIABILITIES		
Government Bonds	$ 825,435.46	Balances due other Companies	$ 263,246.48	
City Bonds	282,088.50	Losses under adjustment	661,884.65	
Railroad Bonds	127,530.00	Sundry Items	6,292.09	
Corporation Bonds	694,300.00			$ 931,423.22
Stocks	1,754,080.50	SPECIAL RESERVES		
Real Estate	175,289.99	For Taxes and Contingencies	$ 116,750.00	
Accrued Interest	28,871.71	For Unreported Losses	50,000.00	
Balances due from other Companies	54,516.80			$ 166,750.00
Cash in Banks and on Hand	808,198.60	SECURITY TO POLICYHOLDERS		
Agents' Balances	595,776.39	Unearned Premium Reserve (on Canadian Government Basis)	$2,434,717.57	
		Capital Stock	750,000.00	
		Surplus	1,063,197.16	
				$4,247,914.73
	$5,346,087.95			$5,346,087.95

LOSSES PAID SINCE ORGANIZATION OF THE COMPANY IN 1833.........$62,976,528.06

	1926	1927	Increase
ASSETS	$4,375,717.78	$5,346,087.95	$970,370.17
POLICYHOLDERS' SURPLUS (including paid-up capital)	1,280,445.41	1,813,197.16	532,751.75
PREMIUM INCOME	3,809,042.48	3,859,252.21	50,209.73

Board of Directors

WILFRID M. COX, *President of the Company*

SIR JOHN AIRD, President, Canadian Bank of Commerce
COL. HENRY BROCK, Vice-President, The W. R. Brock Co., Limited
ROBERT BICKERDIKE, Director, Canada Life Assurance Company
ALFRED COOPER, Late of Grahams & Co., East India Merchants
H. C. COX, President, Canada Life Assurance Company
D. B. HANNA, President, Western Canada Flour Mills Company, Limited
MILLER LASH, K.C., Barrister, of Messrs. Blake, Lash, Anglin & Cassels
T. G. McCONKEY, General Manager, Canada Life Assurance Co.
GEO. A. MORROW, President, Imperial Life Assurance Co.
J. LESTER PARSONS, Director, Fidelity Trust Company
MAJ.-GEN. SIR HENRY PELLATT, C.V.O., Vice-President, British Columbia Fishing and Packing Co., Ltd.
W. D. ROBB, Vice-President, Canadian National Railways
D. G. WAKEMAN, Director, Western Assurance Co.
E. WILLANS, Managing Director, Imperial Guarantee and Accident Insurance Co.
E. R. WOOD, President Central Canada Loan and Savings Company
H. J. WYATT, Barrister-at-Law

Officers

WILFRID M. COX, *President and General Manager;*
HERBERT C. COX, *Vice-President;* GEO. A. MORROW, *Vice-President;*
E. F. GARROW, *Assistant General Manager;*
C. S. WAINWRIGHT, *Assistant General Manager;*
G. STUBINGTON, *Secretary*

Board at London, England

ALFRED COOPER, *Chairman;* SIR CHARLES JOHNSTON, BART.
BERNARD A. WHITE

British and Foreign Offices: 14 Cornhill, London E.C.

W. A. MILES, *Manager*

Head Office, 16-22 Wellington Street East, Toronto

Government Municipal and Corporation Bonds

Real Estate Financing

RENE-T. LECLERC
Incorporated
Montreal— 160, St. James St.
Quebec— 71, St. Peter St.
(ESTABLISHED 1901)
E231

We offer and recommend
Canadian Hydro-Electric Corporation Limited
6% Cumulative First Preferred Stock
(Par value $100)
Price at the market to yield over 6%
BROWN, URQUHART & COMPANY
LIMITED
INVESTMENT BONDS
180 St. James Street, Montreal

Calgary, Alberta
Stock, Bond and Grain Brokers
Industrial Financing
Carlile & Farr Ltd.
Private wire to all markets.
Correspondents of Osler & Hammond

RANDOLPH HOTEL COMPANY LIMITED
6½% First (Closed) Mortgage Sinking Fund Gold Bonds
Price: 102½ to yield 6.30%
Send for full details
KIPPEN & COMPANY
Investment Securities
4 Hospital Street
Montreal

We Recommend
Hamilton Dairies
Zimmerknit
Preferred and Common
DENMAN & CO.
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HAMILTON, ONT.
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120 St. James St., Montreal

News of Investment Markets

SOUTH AMERICAN ISSUE PLACED ON CANADIAN MART

Buenos Aires Seeks Funds For Partial Retirement of Debt

A favorable reception was accorded to the offering in Canada this week of a substantial portion of the new $41,101,000, 6 per cent. external bond issue of the Province of Buenos Aires. The Canadian syndicate is headed by Dominion Securities Corp.

This is the first important piece of foreign financing to be undertaken in Canada this year. On account of their comparatively high yield, such financing has attracted a great many Canadian investors who are looking for higher yields than those which can be secured on domestic issues.

Owing to the instability of the European situation, few governments on that continent have tried to sell their bonds in either the United States or Canada. The situation with respect to South America has been different. Our growing relations with Argentine, Brazil, Peru, Colombia and other southern republics has made Canadians familiar with those countries.

Securities Are Known

While an Argentine issue was extensively offered in Canada a short time ago, this is the third time in recent years that the Province of Buenos Aires bonds have been sold by Canadian houses.

This province is the largest and most important in the Republic of Argentine. Its debt record has not been unfavorable. In 1915 and 1916 the province was compelled to suspend cash interest and sinking fund payments on account of the extraordinary conditions arising out of the war. The interest payments for that period were funded, and after 1916, resumed in cash, but the sinking fund payments were suspended until 1919 and 1920 when they were resumed.

Delay in Payments

Due to depreciation of certain currencies in which payment of interest on some external loans of the province was expressed, claim was made by the bondholders for payment in Argentine gold instead of in the currencies of issue. The Argentine Supreme Court having ruled in favor of the bondholders, the Province issued the necessary decree for alternative gold payments in Argentina. This resulted in the necessity for providing for payments in Argentina as well as in Europe, and the resulting confusion caused delay, at times of several weeks, because of an inadequate system of providing for proper distribution among the various European Fiscal Agencies of funds to meet the coupons there presented.

In no case in which a delay from such a cause has occurred has the province failed to provide the total necessary funds to meet the required interest payments, and no such delays have occurred in the case of external issues payable only in one currency. The present administration has formulated a plan of distribution to replace the present one, which the above-mentioned decree has made faulty.

Details of the present issue are:

$41,101,000
Province of Buenos Aires
6% Refunding External Sinking Fund Gold Bonds

Dated March 1, 1928 Due March 1, 1961

Sinking Fund: Cumulative Sinking Fund sufficient to redeem entire issue by maturity, operating semi-annually by call at par. The Province covenants to apply as extraordinary sinking fund 25 per cent of any surplus of revenues at the end of each fiscal year.

Purpose of Issue: Proceeds will be used for redemption of certain specified loans.

Authority: Issue is authorized by By-law No. 3944 of the Province of Buenos Aires of November 2, 1927.

Security: A direct obligation of the province. In addition, upon redemption of loans will be specifically secured by a charge and lien on Real Estate and inheritance taxes as well as the rent and general portions of the commerce and industry tax, etc.

Finances: Revenues have increased greatly in recent years. Although aggregate ordinary expenditures for the five years ended February 28, 1927, exceeded ordinary revenues, the average annual deficit for such years was less than $2,600,000.

Price: Offered in Canada by a syndicate headed by Dominion Securities Corporation, at 96½ and interest, to yield over 6¼ per cent. to maturity.

Thomson Groceries Issue Convertible Preferred

An issue of $40,000, 7 per cent. cumulative, redeemable and convertible preferred stock of Thomson Groceries, Ltd., is being publicly offered this week by A. E. Beck and Co.

This company, under private ownership, has shown rapid growth in the past few years. Twelve retail stores are now being operated in Toronto and it is proposed to gradually extend this chain.

Details of the issue follow:

$40,000
Thomson Groceries, Ltd.
7% Cumulative, Redeemable and Convertible Preferred Stock

Capital: Outstanding $40,000 preferred and 30,400 no par common stock.

Conversion Privilege: Convertible at any time into no par common stock on the basis of 10 shares of common for each preferred.

History and Business: Started seven years ago. Twelve retail stores now in operation in Toronto.

Management: Same management will be in charge.

Purpose of Issue: To provide funds to facilitate expansion along lines that have proved successful heretofore.

Assets: As at December 31, 1927, after giving effect to present financing, total (net) $84,901.

Earnings: Net earnings for the past calendar year amounted to $16,492, after provision for all charges including depreciation and federal income tax, which is equal to 5.9 times preference dividend requirements.

Offer: A. E. Beck and Co., at 100 per share.

Bond Notices

Saint Francis Water Power Co. is calling for redemption on June 1st next, all of its first mortgage 6½ per cent. bonds, due December 1, 1929, at par, with a premium of 2 per cent. Payment will be made at La Banque Canadienne Nationale, Montreal, P.Q.

Saint Francis Water Power Co. is also calling for redemption all of its second mortgage 7 per cent. of 1930 at 102, payable at La Banque Canadienne Nationale, Montreal, on August 1st.

All of the outstanding thirty-year 6½ first mortgage sinking fund bonds, and all of the outstanding £200,000, first mortgage thirty-year 6½ per cent. debenture stock of the St. Maurice Power Co., is being called for redemption on August 1, 1928, at 107½. Payment will be made at the Royal Bank of Canada in Montreal or Toronto or London, Eng., and at the Bank of the Manhattan Company, in New York City.

Beauharnois Electric Co. will redeem on September 1, 1928, all of its first mortgage 5 per cent. thirty year bonds, at 105, payment to be made at the office of the Imperial Trust Co., Montreal.

York Street Buildings, Ltd., is calling for redemption all of its 6½ per cent. first mortgage sinking fund bonds, dated April 15, 1925, at 103, payable on April 1, 1928, at the Bank of Nova Scotia in Toronto or Montreal.

Bond Redemptions

	Rate	Due	Redeme.	Price
Shawinigan "D"	5½%	1954	Apr. 1	105
Do., "E"	5%	1955	Apr. 1	105
Pt. Alf. Pulp B	6½%	1943	Apr. 1	104¼
Canada Cement (Old company)	6%	....	Mar. 31	110
Donnacona Paper	6%	1940	Apr. 17	105
Donnacona Paper Deb. B. C. D. & E.	6%	1927	Mar. 19	102
United Grain Growers	6%	....	July 1	105
Spanish River P.&P. Series "A"	8%	1941	May 1	106

JENKINS ISSUE PUT ON MARKET

Large Western Grocery Chain Arranges to Extend Business

Financing of one of the largest retail chain of meat and grocery stores in Western Canada, Jenkins Grocertia Ltd., is being undertaken by Royal Financial Corp., who are offering $288,000 of 7 per cent.

This company, through its subsidiaries, has operated successfully since 1919, having a chain of twenty-five stores together with a well-equipped baking plant, coffee warehouse and fruit business. In addition to the main stores at Calgary, the company operates stores at Drumheller, Banff, Hanna, Vulcan and other Alberta towns.

A feature of this financing is the guarantee for five years of payment of dividends on the 2,880 shares now being offered by the London and Lancashire Guarantee and Accident Co., of Canada.

Particulars of the issue follow:

$288,000
Jenkins Groceteria, Ltd.
7% Cumulative Redeemable Preferred Stock

Guarantee: Payment of dividends and interest on this stock is guaranteed for period of five years. Company also agrees to pay no dividend on common stocks for a similar period.

Capital: Outstanding—$480,000 preferred (this issue) and 20,000 shares of no par value common stock.

Company: Operates a chain of 25 retail meat and grocery stores in Alberta.

Management: There will be no change.

Purpose of Issue: Additional working capital to be used for general expansion of business.

Assets: As of December 31 last, after giving effect to present financing, consisted of fixed assets of $135,421, current assets, $469,648, current liabilities $125,070, leaving net tangible assets of $480,000.

Earnings: Based on operating results in year ended December 31, 1927, after providing for depreciation, income tax and reserve, totalled $50,923. Dividends required on this issue total $33,600.

Offer: Royal Financial Corporation at 100 and accrued.

CONS. THEATRES PLAN EXPANSION

A. D. Watts and Co. Offer Thirteen Thousand No-Par Common

Thirteen thousand no par common stock of Consolidated Theatres Corp., is being offered this week by A. D. Watts and Co., of Toronto and Montreal.

This company was established early last year for the purpose of establishing a chain of motion picture theatres, located in the various small towns as well as the suburbs and neighborhood districts of the larger cities in Quebec province.

An initial investment of $50,000 was made and from time to time, the company acquired leaseholds on established moving picture theatres in good location. The company now operates six theatres, located in Montreal, Verdun and Sherbrooke.

Particulars of this issue follow:

13,000 Common Shares
Consolidated Theatres Corpn.

Capital: No funded debt. Outstanding 30,000 shares of no par common.

History and Business: Established in 1927. Operates under leasehold, six established theatres in Quebec province.

Purpose of Issue: Proceeds will be used to acquire additional theatres, to retire $20,000 of existing preferred stock and for working capital.

Management: There will be no change.

Balance Sheet: As at December 31, 1927, shows company to be in easy working capital position, with cash on hand of over $100,000 after providing for current trade liabilities.

Earnings: Have shown a satisfactory improvement. It is estimated that during 1928 earnings should total $2.50 a share on the 30,000 shares of common stock to presently outstanding.

Security: Company has only one class of stock.

Listing: It is the intention to make application for listing on the Montreal Curb Market and the unlisted section of the Toronto Stock Exchange.

Offer: As a semi-investment with speculative possibilities of capital appreciation, at $15 a share by A. D. Watts and Co.

TORONTO GROUP FINANCE WESTERN SADDLERY FIRM

Great West Co. Issues New Bond and Preferred Securities

Extensive financing is announced this week by a Toronto group, headed by Cochran, Hay and Co., in connection with the reorganization of the Great West Saddlery Co., of Winnipeg and Calgary.

First mortgage bonds to the amount of $850,000 and $900,000 cumulative convertible preferred, are being offered. The latter is being put on the market at par, together with rights to purchase at time of subscription for preference stock, two shares of common at $18.50 a share, for each share of preferred. The preferred is also convertible at any time into no par common on the basis of one share of preference for three shares of common.

The Great West Saddlery is taking over as a going concern, a company of a similar name, which has been operating in Western Canada for thirty years. In that time it has built up an excellent reputation for its products, such as harness, saddlery and allied lines, and is to-day the largest of its kind in Canada.

Details of the bond issue follow:

$850,000
The Great West Saddlery Co.
20-Year First Mortgage 6% Gold Bonds

Dated March 1, 1928 Due March 1 1948

Capital:—
(Upon completion of the present financing)

	Authorized	To be issued
6% 1st Mtg. Sink. Fund 20-yr. Gold Bonds	$1,000,000	$850,000
6½% Cum. Convert. Redeem. 1st Pref. Stock (par $100 per share)	1,000,000	900,000
6½% Cum. Convert. Redeem. 2nd Pref. Stock (par $100 per share)	200,000	200,000
Com. Stock (no par value)	76,000 shares	40,000 shares

Corporate History and Business: Established in 1899. Manufactures harness, saddlery and allied products. Plants in Winnipeg and Calgary and warehouses in Edmonton, Macleod, Regina and Saskatoon, as well as Calgary and Winnipeg. One of the largest companies of its kind in Canada.

Assets: As of June 30, 1927, after giving effect to present financing, fixed assets were $1,003,982 and net current $1,473,201, making a total of $2,477,183, or $2,900 for every $1,000 bond of this issue.

Earnings: Available for bond interest and income tax, after making allowance for depreciation and maintenance charges, exceeded $212,220 for the year ended June 30, 1927. Annual average for past three years was in excess of $183,000, which is equivalent to 3.58 times interest requirements on the present bond issue.

Sales: Have shown a steady increase during recent years.

Security: First mortgage covering land, buildings, machinery, plant and equipment now owned or hereafter acquired. Also secured by a floating charge on all other assets.

Management: There will be no change.

Offer: Cochran, Hay and Co., Bell, Gouinlock and Co., Fry, Mills, Spence and Co., at 99 and accrued interest, yielding approximately 6.10 per cent.

Note: It is expected in connection with the preferred and common stock, that application will be made for listing on the Toronto Stock Exchange.

COAST THEATRE STOCK OFFERED

Preference Shares of New Enterprise Placed on Market

Fidelity Securities Corp., of Vancover, is making a public offering of $100,000, 7 per cent. cumulative preferred shares of the Hippodrome Vaudeville Theatre, Ltd.

This is a new enterprise which is being undertaken in Vancouver, where there is a further need of theatre accommodation, according to reports. The building has already been leased to responsible interests for ten years at an annual rental of $55,000. There will be additional income from the rental of stores, etc.

Particulars of the issue follow:

$100,000
Hippodrome Vaudeville Theatres
7% Cumulative Preference Shares

Property: A suitable site has been secured for the erection of the proposed theatre in Vancouver.

Appraisal: Estimated cost of land and building completed, have been placed at $611,700.

Financial Plan: Financing has been arranged by the issuance of 6½ per cent. fifteen-year serial first mortgage bonds in the amount of $320,000 and the present issue of preferred stock.

Annual Income: After deducting all charges for taxes, interest, insurance, etc., a surplus of $34,200 is estimated, from which the bonds and preferred shares are to be retired.

Offer: Fidelity Securities Corp., Vancouver, at 100 and accrued dividend.

VICTORY REALTY ISSUE OVERSOLD

A. E. Ames and Co. announce this week the oversubscription of an issue of $600,000 Victoria Realty Corporation, 6 per cent. first mortgage sinking fund bonds.

This company owns a desirable piece of property in Ottawa and is building thereon a modern office building, to be known as Victoria Building.

Details of the issue are:

Victoria Realty Corporation
First Mortgage 6% Sinking Fund Bonds

Dated January 2 1928 Due January 2, 1948

Location of Property: Property has been secured on the south-east corner of Wellington and O'Connor Streets, Ottawa, upon which a modern office building is being erected.

Security: Secured by a first closed mortgage on building and lands as well as a charge upon the rents of the building.

Fire Insurance: Adequate fire insurance will be carried during course of construction and after.

Appraisals: Land and building have been appraised at $921,000.

Earnings: According to present plans building will be ready for occupancy about August 1, 1928. It is estimated that net income should be $73,500.

Completion Guarantee: Completion of the building is guaranteed jointly and severally by Gordon C. Edwards, Allan T. Lewis, E. S. Sherwood, all of Ottawa.

Offer: By A. E. Ames and Co., at 100 and accrued interest, yielding 6 per cent.

UNITED BOND CO. WILL UNDERWRITE WINDSOR PROJECT

Company is Now Erecting Large Apartment-Garage Building

Financing of the Greater Windsor Development Co., has been arranged with the United Bond Co., which will announce within the course of a week an offering of $375,000, first closed 6½ per cent. mortgage bonds due serially.

Detroit and Windsor interests are behind this company, which is undertaking the erection of one of the largest combined apartment and garage buildings in Windsor. Work on the undertaking has been going on for some time, and it is expected that the whole project will be completed shortly.

Plans call for the erection of a sixty-three suite apartment, which will be most elaborately finished and equipped with all modern conveniences. Adjoining the apartment is a 300-car storage garage of the ramp type, which is said to be the largest of its kind in the Border Cities.

The Border Cities Real Estate Board has appraised the property and buildings at $725,538, so that the forthcoming bond issue represents only 52 per cent. of the total appraised value. The bonds will be offered at par and accrued.

New Issue
Province of Buenos Aires
(Argentine Republic)
6% Refunding External Sinking Fund Gold Bonds. To be dated March 1, 1928. To mature March 1, 1961. Price 96½ and interest, to yield over 6¼% to maturity.
Descriptive circular on request.
Matthews & Company Limited
Investment Bankers
ELgin 5192
255 Bay St. :: Toronto 2

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Municipal

Place	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Laterriere, Que.	Feb.	Bray, Caron & Dube	5%	25-ser.	$20,000	97.83	5.22
R. M. Westmourne, Man.	Feb.	Bond & Debenture Corp.	6%	30-ins.	15,000	109.62	5.17
R. C. Sch. Corp of Edmonton.	Feb.	Credit, Anglo- Francois	5%	Serial	55,000	....	...
Sask. Schs. & Phones	Feb.	Various	...	......	12,400	....	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Greater Windsor Development Co.	Feb.	United Bond Co.	6½%	Serial	$375,000	100.	6½
Prov. of Buenos Aires	Feb.	Can. and U. S. Syndicate	6%	1961	41,101,000	96½	6¼
N. S. Shipping Co.	Feb.	J. M. Robinson & Sons	6%	15-yr.	125,000	100.	...
Victoria Realty Corp.	Feb.	A. E. Ames & Co.	6%	1948	600,000	100.	6
Great West Saddlery Co.	Feb.	Cochran, Hay & Co., and Syndicate	6%	1948	850,000	99.	6.10
Stock Issues—							
Thomson Groceries	Feb.	A. E. Beck & Co.	7%	Pref.	40,000	100.	7%
Hippodrome Vaudeville Thea.	Feb.	Fidelity Securities Corp.	7%	Pref.	100,000	100.	7%
Jenkins Groceteria	Feb.	Royal Financial Corp.	7%	Pref.	288,000	100.	7%
Consolidated Theatres	Feb.	A. D. Watts & Co.	...	Com.	13,000 shs.	$15	...
Simera Cereals	Feb.	W. G. Canning & Co.	....		10,000 shs.	$10	...
		(With bonus of 5 shares of com. ith each 10 pref.)					
N. S. Shipping Co.	Feb.	J. M. Robinson & Sons	7%	Pref.	60,000	100.	...
Geo. Weston	Feb.	R. A. Daly & Co.	7%	Pref.	500,000	100.	...
Great West Saddlery Co.	Feb.	Cochran, Hay & Co., Fry Mills, Spence & Co., Bell, Gouinlock & Co.	6½%	Pref.	900,000	100.	...
		(With right to purchase 2 com. for each pref. at $18.50.)					

Fifteen Opportunities For Sound Investment—

Following are fifteen issues which bear our recommendation and which are typical of the diversified character of our offerings:—

		Due	Price	Yield
†Dominion of Canada Guaranteed (Issued by Canadian National Railways)	4½'s	1957	101.75	4.39
†Greek Government (External)	6's	1968	91.00	6.65
†Irish Free State (External)	5's	1960	97.00	5.20
Province of Ontario	5's	1948	107.50	4.42
Province of Ontario	6's	1943	115.75	4.58
†Montreal Metropolitan Commission	5's	1942	104.50	4.58
†Pointe Aux Trembles (now Montreal Metro. Comm.)	6's	1940	110.19	4.90
Canadian Pacific Railway Co.	4½'s	1944	100.00	4.50
†Cuba Northern Railway Co.	5½'s	1942	97.50	5.76
†Canada Steamship Lines, Ltd.	6's	1941	103.75	5.60
†Gatineau Power Company Ltd.	5's	1956	101.00	4.92
†Montreal Light, Heat & Power Cons.	5's	1951	103.25	4.76
†Shawinigan Water & Power Co.	4½'s	1967	98.00	4.60
†Consolidated Water Power & Paper Co.	5½'s	1947	99.00	5.58
†Pennsylvania-Dixie Cement Corp.	6's	1941	99.50	6.05

† Principal and Interest payable in New York Funds.

The above Bonds are offered subject to prior sale and change in price. Complete information regarding any issue and a copy of our publication "Investment Securities" will be forwarded upon request. The March edition is now ready.

Write our nearest office.

The National City Company
Limited
Head Office — St. James and St. Peter Streets — Montreal
10 King Street East TORONTO
204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC
285

NEW ISSUE

$900,000

The Great West Saddlery Company
Limited
(Incorporated under the laws of the Dominion of Canada)

6½% Cumulative Convertible Redeemable First Preference Stock
(Par value, $100 per share)

The Cumulative Convertible Redeemable Preference Stock is to be fully paid and non-assessable; preferred as to dividends and assets; entitled to cumulative preferential cash dividends at the rate of 6½% per annum, accruing from March 1, 1928, payable quarterly on March 1, June 1, September 1 and December 1, by cheque at par at any office in Canada of The Canadian Bank of Commerce; callable in whole or in part on any dividend date at $110 and accrued dividend per share on ninety days' prior notice, at the option of the Company; or the Company may purchase for redemption in the open market up to $110 and accrued dividend; convertible at the option of the holder at any time into no par value common stock on the basis of one share of preference stock for three shares of no par value common stock, unless called for redemption, in which case the holder shall have the right of conversion until the expiration of the ninety-day redemption notice.

Transfer Agent: The Toronto General Trusts Corporation. Registrar: The Canadian Bank of Commerce.

CAPITALIZATION
(Upon completion of the present financing)

	Authorized	To be Issued
6% First Mortgage Sinking Fund Twenty Year Gold Bonds	$1,000,000	$850,000
6½% Cumulative Convertible Redeemable First Preference Stock (par value $100 per share)	1,000,000	900,000
6½% Cumulative Convertible Redeemable Second Preference Stock (par value $100 per share)	200,000	200,000
Common Stock (no par value)	76,000 Shares	40,000 Shares

The following information has been summarized from a letter written to us by Mr. E. F. Hutchings, President, to be elected, and from other sources:

CORPORATE HISTORY AND BUSINESS: The Great West Saddlery Company, Limited (new Company), is to be incorporated under the Companies Act, Canada, and is to acquire as a going concern the business, assets and undertaking, and to assume all the liabilities of the old Company of the same name. The Great West Saddlery Company, Limited (old Company), was established in 1899 in Winnipeg, and since then has carried on successfully the business of manufacturing and selling all classes of harness, saddlery and allied products. In addition, the Company deals in a wide variety of leather goods and general farm merchandise but not including agricultural implements. Substantial profits have accrued to the Company from these activities.

During the past twenty-nine years the Company has grown to extensive proportions and is to-day the largest of its kind in Canada and among the largest of its kind in the world. Modern manufacturing plants are located in the cities of Winnipeg and Calgary. Warehouses are located in Edmonton, Macleod, Regina and Saskatoon as well as in the cities of Winnipeg and Calgary.

ASSETS—Assets of the Company as of June 30, 1927, after giving effect to the present financing, were as follows:

Fixed Assets—Certificate of Sterling Appraisal Company—less additions of $10,036.57 made subsequent to July 1, 1927, and including goodwill at $1	$1,003,982.68
Net Current Assets— Report of George A. Touche and Co.	1,473,201.00
Total Net Assets	$2,477,183.68

Total net assets, after making provision for the proposed $850,000 6% First Mortgage Sinking Fund Twenty Year Gold Bonds, amounted to $1,627,183.68, or over $180 for each share of first preference stock.

EARNINGS: An analysis of earnings made by George A. Touche & Co. discloses earnings available, after bond interest and for the payment of first preference stock dividends, after giving effect to the present financing and after making allowance for depreciation on the appraised value of the properties, income tax and full and proper maintenance charges, as follows:

Fiscal year ended:	Amount
June 30, 1925, exceeding	$ 88,980.00
June 30, 1926, exceeding	127,190.00
June 30, 1927, exceeding	148,330.00

The annual average for the foregoing three-year period is in excess of $121,500, equivalent to more than 2.07 times first preference dividend requirements of $58,500. Earnings similarly available for the year ended June 30, 1927, were equivalent to 2.53 times first preference dividend requirements on the above basis and after provision for all preference stock dividends, earnings available for common stock of the new Company amounted to $1.92 per share.

SALES: Sales of the Company's products and other merchandise show steady growth. During the past three years and the first six months' period of the 1928 fiscal year sales have been as follows:

Fiscal year ended:	Amount
June 30, 1925	$2,507,600.00
June 30, 1926	3,099,546.00
June 30, 1927	3,190,016.00
Dec. 31, 1927 (6 months)	1,612,355.00

Net Sales for the six months' period ended December 31, 1927, showed an increase of 23% over the corresponding period of the previous fiscal year.

CONVERSION: The 6½% Cumulative Convertible Redeemable First Preference Stock is convertible at the option of the holder at any time into no par value Common Stock on the basis of one share of Preference Stock for three shares of no par value Common Stock, unless called for redemption, in which case the holder shall have the right of conversion until the expiration of the ninety day redemption notice.

MANAGEMENT: The Company and its predecessor have long been established in the harness, saddlery and leather business, the original Company having been established in 1899. Mr. E. F. Hutchings, President of the old Company, is to continue in that capacity with the new Company. Mr. E. R. Dowdall, who will be General Manager, and Mr. T. J. Lytle, who will be Secretary-Treasurer of the new Company, have for a great number of years occupied responsible positions in the old Company. The officers and senior employees are all men of experience and proven ability.

These shares are offered when, as and if issued and received by us, and subject to the approval of all proceedings by Messrs. Kilmer, Irving & Davis for the Underwriters, and by Messrs. Long & Daly, for the Company.

PRICE: $100 per share and accrued dividend, yielding 6.50%

The right is given to purchase, at time of subscription for Preference Stock, two (2) shares of Common Stock at $18.50 per share, for each share of Preference Stock purchased.

It is expected that application will be made to list the First Preference and Common Shares on the Toronto Stock Exchange

Bell, Gouinlock & Co. Fry, Mills, Spence & Co.
Cochran, Hay & Co., Limited

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

THE FINANCIAL POST

Member Audit Bureau of Circulations
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Vice-President—HORACE T. HUNTER
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TORONTO, MARCH 2, 1928

A PUBLIC SERVANT

EACH year, Harvard's School of Business awards a gold medal for the most distinguished service to advertising by any individual. It was a fine tribute to the work of the business press that this year the award was made to James H. McGraw, president of the McGraw Hill Publishing Company of New York. Mr. McGraw was given the highest of the Harvard advertising awards "because of his life-long service in the upbuilding of higher standards in advertising in the business press."

As Mr. McGraw said in his able speech of acceptance, when Edward Bok established the Harvard advertising awards there was a general recognition of their significance. "Advertising," said Mr. McGraw, "has come to occupy an important position in the consciousness of the public and of business. Its potentiality—for good or ill—in the distribution of both industrial and consumer goods, is recognized as tremendous. Such a force must be employed with an abiding sense of responsibility to the public."

That is indeed a high ideal.

Advertising has won its spurs. Advertising failures are the result of advertising misapplied, for advertising is a corrective of faults in the business structure. It is one of the best tools of business.

It is a tool that must be well and properly used. The business press of Canada and the United States, because of the close contact it has with business, sees clearly, as does Mr. McGraw, the need for proper application of this powerful business and social force. The business press is doing and will continue to do its part to make advertising a great public servant.

INVESTING IN MAN-POWER

IMMIGRANTS cost money. Canada has spent millions of dollars every year on its immigration activities, and the cost per head of bringing people in, runs into a substantial figure. To selected British people, extensive inducements are offered to tempt them to make their homes in Canada. Assisted passages, loans for the establishment of farm homes, publicity and agents' fees all run up the costs which are shared by the Canadian and British Governments. Canada has spent $7,000,000 to get immigrants since 1921. For that we have got 800,000 people, including that large proportion who came without special bonuses in the form of loans or cheap steamship fares.

If we may believe the best available statistics, we have lost by emigration, more people since 1921, than we have gained by immigration.

One seldom hears protest against the total of our immigration expenditures. Rather the public would be glad to have the opportunity of endorsing a higher annual appropriation for immigration work. The other day, in the House of Commons, some one criticized Hon. Robert Forke, minister of immigration, for having failed to carry on a certain constructive form of immigration work. Mr. Forke rather tartly interjected that he had no appropriation for that work. This was hardly a suitable reply. If the work was one that should have been done, it is Mr. Forke's job to get his colleagues to advance him the necessary funds. (We would be surprised to learn that Mr. Forke's estimates had been materially altered by the cabinet.

There is much criticism of the department of immigration on the score that last year—for the first time since Confederation — Canada got more immigrants from foreign countries than from the British Isles and the United States. The inference of these criticisms is that the department is concentrating its immigration activities on the continent. This is hardly fair to the department, which has many sins of commission and omission to its credit, but cannot be charged with ever having done more than it should have done to get continental immigration. Rather it shut off a promising flow of sturdy European immigrants last year when it forced the railways to stop bringing in continentals. The result was near tragedy in some parts of the West when shortage of farm labor last fall seriously interfered with harvesting operations.

It has been proven that it is not necessary to put forward much effort or to invest large sums of money to bring in immigrants from Europe. It has cost Canada less than $1.50 a head to bring in less than 400,000 British migrants.

There are many factors contributing to the high cost of immigration work in Britain. There is the shortage of agricultural labor and domestic servants in Britain; the "dole," which has its attractions for many; the competition of other Dominions, chiefly Australia, which offer more generous inducements than Canada.

It is desirable that our annual quota of immigrants from Britain should not fall below half of our total immigration as it did last year. But it cannot be denied that Canada can absorb yearly more European immigrants than came in last year. Scandinavians, Germans, Hungarians, Roumanians are highly desirable races for Canada. To keep our immigration sufficiently British is not, by preference, a matter of curbing the flow from Europe, but rather of putting more punch into our immigration activities in Britain. We must prepare to make a substantial annual investment to do this.

It is now forecast that Mr. Forke has something up his sleeve; a scheme to bring 20,000 British families out to Canada and, with grants of free land and loans from the British Government, to settle them on the newer lands throughout the West. It is a daring and courageous plan, and one that captures the immigration by this very boldness of conception. It will cost money, but the results should justify the expenditure. To make the plan successful will require sincere, able efforts by departmental officials.

Conditions are sound in Canada; opportunity exists; we need not fear to invite any able-bodied, able-minded man or woman to try his luck with us. We have a good product to sell, and it will be worthwhile to advertise it well. We can afford to spend much more in this direction than we are now spending.

COMPENSATION IN QUEBEC

MANUFACTURERS, insurance companies and laborers should be gratified by the splendid piece of compensation legislation handed down at Quebec last week. Comparing the new act with similar legislation in Canada and the United States there seems little doubt that it is one of the most up-to-date laws yet proposed as a plan for dispensing compensation to injured workmen.

The benefits are adequate; the machinery for handling the whole system is exceedingly simple and clear-cut; there will be no more long-drawn-out legal battles at the expense of the workmen and the employer; the commission which will handle the act has complete and final authority, and is definitely charged, furthermore, with looking after accident prevention, and the rehabilitation of workmen injured under the act. In addition to compensation benefits as stated in the act, the workmen are entitled to free medical and hospital services, or to burial expenses in case of death; and finally the insurance is to be carried out by stock or mutual insurance companies, or by the employer himself, under payment of suitable guarantees.

Of course, the rates which will be charged by the insurance companies under the act have not yet been announced, but there is every reason to believe that there will be nothing like so high, in the aggregate, as the rate schedule proposed last year, and which effectively put the damper on the famous 1927 act which was to have come into effect on March 1, 1927.

It is not to be doubted that the new act will have its ups and downs—its present form may even be modified before it is finally passed by the legislature—but there will be unanimity in wishing Godspeed to this piece of legislation, which should once more place Quebec in a front rank position which it achieved by introducing the first act of this kind into its legislation in 1909.

Finally the act is somewhat typical of the attitude taken by the Province of Quebec to private enterprise, and one of the most interesting phases of the whole situation will be the opportunity it will afford of watching the actual operation of the act alongside the well-established Ontario state fund.

WHEN SPECULATION HELPS

THE man who buys a security on the stock market is just as strong an influence for growth and prosperity as the man who buys a newly created security, directly or through an investment banker, and thus puts cash in the treasury of a corporation. There is a ridiculous supposition current, that trading securities does not aid in the creation of new developments. Such a view was voiced by A. J. Anderson, a Toronto member of Parliament, the other day.

He said:

"The bulk of the money that is used on the stock exchanges of this country and of the United States is used in what are practically gambling operations. We may not call it gambling; we may say it is an investment, but whatever you call it the element of chance is there, and we find that our banks, our trust companies, our insurance companies and some of our investment trusts are using their moneys for this purpose.

"A striking instance of that came to my attention not long ago when one of our largest insurance companies in Canada published, and in rather a boastful way, the fact that it had bought a very large block of stock of another industrial concern in this country—International Nickel. The manager of that insurance company made the statement that they had bought that stock as a permanent investment.

"Now that stock was not bought from the treasury of the International Nickel Company. Had it been bought from that source it would have gone into the industry and helped business generally. But no; it was bought on the stock exchange. It may be that it was all paid for in cash, but the money went not into the industry, but into the hands of other men who put it into their private purse or into their bank account, and it did not help the industry at all.

"Now where does this insurance company hope to make profits if it is not that they are going to gamble or take a chance on that stock advancing in price on the market? That does not help the industry in this country."

This is all very specious. If there were no active market for corporation securities, there would be the utmost unwillingness on the part of investors to invest in such securities. They buy most readily the new offerings of a corporation when they know that they will be able to sell their stocks or bonds in the open market at a price not fixed by barter and bargain in the dark. The investor who buys and sells existing outstanding securities is aiding in the creation of that open and active market, which is the basis of modern corporation investment finance, and which enables himself and others to buy treasury securities as well.

Even the avowed trader or speculator serves a most useful purpose. By maintaining a certain, constant and minimum volume of trading in corporation securities, he insures that the man who wishes to buy can always obtain the security he wants by paying a price that has been established in open trading; and that the man who wishes to sell can always find a buyer, without having to lower his offering price to a sacrifice basis.

Keeping a fluid market ready at all times to accept, at a price, any offerings made in it, is the true function of the stock speculator, according to the monthly letter of the Bank of Nova Scotia, which appears at a timely juncture to announce the objections of the speaker in the House of Commons.

Says the bank's discussion of the subject:

"In order to make possible the very fluid conditions of to-day, when a fresh invention may become at once the basis of new, large-scale industries—when the provision of radio sets in scores of millions is an affair of six or seven years—we have had to create institutions of a special character. The principles of joint-stock and limited liability were essential to the change. But besides the formulation of new principles, we have had also to find a class of men willing to take over the function of risk bearing, and to purchase the holdings of anyone who wishes to withdraw from any reasonable business enterprise.

"The chief characteristic of the speculator in securities is his willingness to purchase any stock, if offered at a sufficiently attractive price. Alike in bad time and in good it is he who keeps the market fluid. He it is who makes it possible for any man to meet his commitments by throwing his holdings on the market. Though by no means obvious at a glance, on reflection it is clear that this opportunity to sell out at any time is one of the conditions essential to rapid and flexible economic development. More especially, the creation of new forms of industry must be delayed indefinitely, could this not be done."

The man who buys outstanding securities for investment is assuredly no less a factor in providing a fluid market that the man who buys these securities with a speculative purpose.

BETTER A FREE FLOW

HON. J. S. WOODSWORTH, M.P., is sincerely worried by the large amounts of Canadian capital invested abroad. Quoting from The Financial Post, in a speech in the House of Commons, he shows that there was $1,362,000,000 of Canadian capital invested abroad on January 1 of this year. This estimate appeared in these columns on February 3. Mr. Woodsworth suggests a super tax on dividends received from capital invested abroad, such a tax as would discourage Canadians from sending their capital out of the country.

He says:

"May I point out that if I were a protectionist I would suggest: Why not develop our Canadian natural resources by keeping our capital at home? I would suggest: Why not a super tax on this capital which is invested abroad? I think I should be quite consistent in urging that we develop our natural resources in Canada where more capital is necessary. If our financiers think they can make greater returns by investing in Mexico, or in South America, or in Cuba, I suppose that is their business; but if we really are in earnest about developing our own natural resources why cannot we take some means of keeping Canadian money at home?

Regardless of the theoretical merit or demerits of such a scheme, a super tax on dividends from abroad would be virtually impossible to collect. The possibilities for evasion would be overwhelming. In any event, there would be few dividends withdrawn; most of the profits earned by this capital would continue to be reinvested, building up large equities in foreign investments, but with small sums being brought back for the payment of dividends.

Apart from that feature, there is no necessity at all for this country to take steps to curb our investments abroad. Nothing short of a national emergency, such as would induce a "flight of capital," would warrant any action so drastic. Canada does not need to serve notice on the world that her financial and currency condition is such as to warrant a virtual embargo on the movement of capital from this country. Canadian investments abroad are but part of the free movement of investment money around the world as conditions vary in different countries. Much of it has gone abroad as Canadian enterprises have overflowed beyond Canada. Some of it has sought a temporary higher return. Some of it represents a liquid reserve fund which can be withdrawn at will without upsetting Canadian industry or finance.

The important point is that Canada is drawing more foreign capital each year than it is investing abroad. In no year during the present century, and probably during the entire history of the country, has more capital left Canada for investment than has come to this country for investment. There is $4,000,000,000 more money invested in Canada from abroad than has gone from this country into outside investments. For many years this condition will continue.

While Canada seeks foreign capital, it will merely frighten it away if it attempts legislative interference with the free flow of investment funds. There is no more need to prevent the flow of Canadian money abroad than there is to place an absolute embargo on the importation of foreign goods simply because we want our factories to keep busy.

EDITORIAL NOTES

THERE WERE 5,487,852 "shinplasters" in circulation at December 31. Evidently this unique Canadian note has lost none of its popularity.

* * *

IT IS hard to shake off bad habits. The Canadian stock markets still follow New York up and down.

POST-scripts

A LEADING Toronto real estate agent, states that he is having a very big demand for houses ranging from $50,000 to $75,000. On the other hand, the market for houses $20,000 to $25,000 is not at all brisk.

Ordinarily one would expect that for every buyer of a $50,000 to $75,000 house there would be at least twenty buyers for houses below $25,000. The reason, however, for the present anomaly is that prosperity has come to a few through the stock market, mining developments, etc., rather than by increase in steady earning power.

The usual development is the other way. Good times mean general employment at high wages. As these men prosper, the $5,000 house gives way to the $10,000; the $25,000 to the $35,000, and so on.

FOLKS and Finance

WILLIAM HASTIE, new assistant treasurer of Canada Life, is a Canadian Bank of Commerce man. In that respect he is like Edward Saunders, who has been treasurer for many years. Mr. Saunders came to the Canada Life from the Canadian Bank of Commerce. Two previous treasurers of the Canada Life had been trained in the Canadian Bank of Commerce.

L. R. Young, senior assistant-treasurer of the Canada Life, who is in line for the treasurership, is an exception to the rule. He came to the Canada Life as a school boy twenty-eight years ago and has been in the investment department ever since, seeing in that period the investments grow from around $20,000,000 to $140,000,000.

Comments

Remarkable Remarks by Interesting People

R. C. Matthews, M.P.: "The income should be levied fairly and completely on all entitled to pay."

* * *

Gilbert White, American painter: "The reason Coolidge refused to run is that he expected to win in a walk."

* * *

Earl of Birkenhead, (interrupted by two bachelors at a meeting in England): "I can not speak to two fools at once."

* * *

Mrs. Mary Duncan Carter, assistant director, McGill library school: "To give a city an adequate library-service is to give a city a soul."

* * *

Signor Guglielmo Marconi: "Soon the sending of facsimiles of despatches, letters and documents will supersede Morse code."

* * *

Maj. Gen. J. H. McBrien, President, Aviation League of Canada: "Travel by air under proper conditions can be as safe as travel by any other form of land or sea transportation."

* * *

Michael Luchkovich, M.P. for Vegreville, Alta.: "The average man at home looks upon the member at Ottawa as a person who is supposed to 'bring home the bacon.'"

* * *

J. A. Spender: "The United States is at this moment as much bent on beating the world in industry as Britain was on winning the war, and is mobilized throughout for that purpose."

* * *

Rt. Hon. R. B. Bennett: "At no very distant day, from what I can realize and hear, it is beyond doubt that a member of the fair sex will occupy a place in the Senate, with results greatly to be desired."

* * *

J. M. Keynes, British economist: "One of the great difficulties and evils of the present stage in the evolution of joint stock enterprise is the complete impotence, when things go wrong, of the shareholders, separated from one another, each with only a tiny stake in the concern and practically incapable of joint action.

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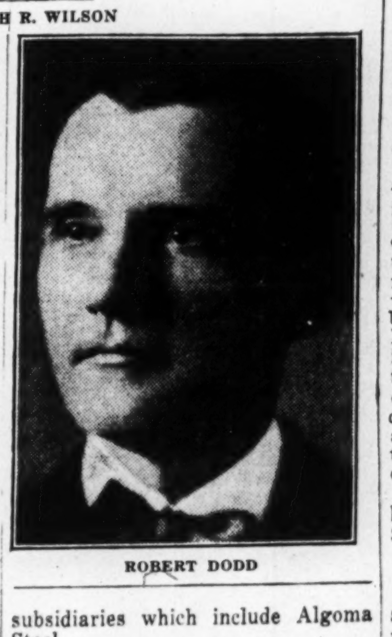
Robert Dodd Has Worked Seven Years on Big Deal

This Prince Edward Islander, Who Has Acquired Control of Lake Superior Corporation, is Quiet Worker

By KENNETH R. WILSON



ROBERT DODD

Wend your way towards the back of one of the upper stories of the Transportation building on St. James St., Montreal, and you will find a small office labelled with the simple caption—Robert Dodd: Quiet, unassuming, it is typical of the man who last week was, significantly, elected a director of Lake Superior Corporation, and who seems destined to play an important role in the rehabilitation of this $45,000,000 Canadian industry.

According to available records, you will find perhaps but two important bits of information about this Robert Dodd. In the first place he was born in Prince Edward Island, and in the second he is an investment banker. Both of these are fraught with interest when looked at through rose-colored spectacles of imagination.

Still Rabid Islander

At 45 years of age (although it is 25 years since he left his Cherry Valley birthplace) Mr. Dodd is a rabid Prince Edward Islander. Furthermore he is tremendously proud of his Canadian ancestry. Since the year 1775, the Dodd stock has flourished on the fertile soil of that Maritime Isle, so that there are few who can more rightly lay claim to the title "Canadian."

At the age of 20, Robert Dodd left Cherry Valley and found his way to New York. Five years he served his apprenticeship with one of the large trust companies in that city, and then struck out for himself in the city of his adoption—Montreal.

Twenty Years in One Office

For nearly 20 years now he has worked in the same office and although he has been a powerful factor in many major Canadian and American undertakings, it is typical of the man that until recently he has never come before the public eye. In fact, he admits that in spite of the fact that his clientele number some of the most outstanding Canadian financiers and business men, he is himself the least known of any of Montreal's investment fraternity.

The reason for this is not hard to find. Robert Dodd has never featured in any financial promotion scheme, nor does he operate actively through any of the recognized brokerage media. True, there is a ticker in his office but even it is a quiet unobstrusive instrument which fits in perfectly with the Dodd atmosphere.

Rather than dabble in promotions, Mr. Dodd devotes his entire energy to fostering the securities of a company that has temporarily fallen by the wayside. Many Canadian companies and a few American public utilities that are now on the high road of prosperity owe their sound condition to the watchful eye of Robert Dodd who, seeing the possibilities, rescued their securities in times of depression and solicited on their behalf, from his clientele, the capital necessary to put them once more on a sound financial footing. His most recent achievement is the quiet way in which during the past two or three years he has acquired for his associates, control of the Lake Superior Corporation and its subsidiaries which include Algoma Steel.

Not Done in a Flash

"A fascinating business," says Robert Dodd, of his chosen profession, "and it is not done in a day. The way that these things are played up in the newspapers, leads people to think that a everything has been done in a flash. They seldom stop to think that the great majority of reorganizations comes only as a result of months or years of patient effort on somebody's part. As a matter of fact it's just about seven years since I first became interested in Algoma Steel."

New Books

Heaton's Handbook

Heaton's Handbook for 1928 has just been published. This volume serves many useful purposes as a work of business reference and in recent years has expanded far beyond its early scope. There are a number of directories, including one of manufacturers. Shipping and collection is covered in a special section. The usual feature of information about towns and cities has been retained as is the complete schedule of customs duties.

Heaton's Commercial Handbook of Canada is published by the Heaton Publishing Company, Toronto, at $3.50.

Casualty Insurance

The comparatively recent and phenomenal growth of casualty insurance has been the outstanding feature in the development of the insurance business. Twenty-five years ago the subject of casualty insurance aroused very little attention. To-day, however, the situation is quite different. The demands on the part of the public for the various forms of casualty insurance protection, the rapid increase in the number and size of casualty companies, the development of a large agency and field organization—all these factors have combined to command general public interest.

"Casualty Insurance," by Crobaugh and Redding, just published, is in response to the real and urgent need for the publication of an up-to-date and comprehensive treatise on the subject of casualty insurance. It covers all kinds of casualty insurance, including accident, health, plate glass, power plant, sprinkler leakage, water damage, automobile, workmen's compensation, burglary and robbery, etc. At the end of each section, there are reprints of policies, contracts, riders, endorsements, rate sheets and manual pages.

The authors, Clyde J. Crobaugh and Amos E. Redding, are recognized authorities in this field. Mr. Crobaugh is supervisor of educational extension for one of the large multiple line insurance companies; formerly chief of the Policyholders Service Bureau, Insurance Department, United States Chamber of Commerce. Mr. Redding is field supervisor and instructor in charge of the casualty training school for field men for one of the large multiple line insurance companies, and for ten years engaged as field man in various sections of the country in the production of the casualty insurance lines.

"Casualty Insurance" is published by Prentice-Hall, Inc., New York, at $6.

The Marvyn Scudder Manual

Some time ago we had the pleasure of calling attention to the first volume of the Marvyn Scudder Manual of Extinct or Obsolete Companies. Now a second volume has been issued which, it is declared, in no way overlaps with the first. This edition, like the first, gives information as to thousands of companies that have gone out of business in one way or another. It is the sort of volume that is not frequently used in the financial office but that is of untold value when an attempt is made to appraise an investment list that has been dormant for many years. Information is given about many Canadian companies.

A feature provided in the second edition is a continuing service enabling holders of the volume to obtain a certain number of additional reports on companies not listed.

Publishers of this unique and valuable work are Marvyn Scudder Manual of Extinct or Obsolete Companies, Inc., 347 Madison Avenue, New York.

Stock Market Transactions

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in clients' interests.

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As Others See Us

The Only Way

Halifax Herald: Crisp and to the point is this comment from The Financial Post:

"The Ottawa Cabinet Minister who reaches his office each morning before his secretary arrives happens to be one of the ministers whose department is dynamic and efficient."

That Minister, one may assume, has found that there is no royal road to results; that the only way to get work done is to do it. And that requires time. The Minister is chasing his work; he is not letting it chase him.

"Stop Me If You've Heard This One"

In the early days of the World War the officer in charge of a British post, deep in the heart of Africa, received a wireless message from his chief:

"War declared. Arrest all enemy aliens in your district."

A few days later the chief received this communication:

"Have arrested seven Germans, three Belgians, four Spaniards, five Frenchmen, a couple of Swedes, an Argentinian, and an American. Please inform me whom we are at war with."

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The wider face allows for economy in the amount of material required.

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Such intensive cultivation of untravelled territory is too profitable to be overlooked. Perhaps you could start something worth while along these lines, and supplement your sales by Long Distance.

THE BELL TELEPHONE CO. OF CANADA

Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post

WEEKLY REVIEW OF CONDITIONS

Business Conditions Sound in All Provinces
Optimistic Feeling Prevails Over Spring Outlook
Building This Year Promises to Set New Record
Conditions in Automobile Industry Are Improving
Railroads Are Now Moving Larger Volume of Freight

DISAPPOINTMENT at the relative slowness of progress since the beginning of the year, is being freely expressed in trade circles of the United States. While the business trend in this country follows closely that across the line, there does not appear to be any cause for such an attitude in regard to Canadian trade.

There is not the same general expansion taking place now, as that which occurred in the early part of 1927, but it should be remembered that the first quarter of last year witnessed the peak of a period of extraordinary activity which had been under way since the fall of 1925.

Recent Months Slow

The past four or five months, admittedly, have shown a reactionary trend. On the other hand the volume of production has been adjusted to a point where it more nearly approximates consumption than at any other time in recent years. Such being the case, it stands to reason that a further recession is unlikely and, furthermore, a substantial improvement may be expected with the opening up of spring activities.

This promise is more or less confirmed by mercantile reports of the past week. In the Maritimes, Quebec and Ontario, retailers and wholesalers report a satisfactory volume of business. In a few seasonal lines the demand has been better than last year but, generally speaking, distribution is of about average proportions, based on the experience of the past five years.

The West reports an improvement over last year, though by no means pronounced. The comparatively good crops of 1926 and 1927 have greatly added to the purchasing power of the people, more particularly in the rural sections. Distributing centres such as Winnipeg, Regina, and Calgary, report a good volume of orders for hardware, tools, farm machinery, etc., while collections are generally satisfactory.

More Optimistic Tone

One of the encouraging features of all the mercantile week-end reports is the optimistic tone in respect to spring business. The feeling prevails that activity will be on a wider scale, both in respect to diversity and importance. This is to be expected, but it is significant that all provinces report in a like manner, even those which did not enjoy a too prosperous year in 1927.

Outstanding among the reasons given for this increasing confidence is the steady improvement in the amount of new building undertaken or scheduled for this year. While 1927 was one of the greatest building years experienced since 1914, preliminary data would indicate that 1928 may see the establishment of a record for all time.

Building Values Increase

Although there was a seasonal decline in the value of building permits issued in the principal cities during January, as compared with the preceding month, the aggregate was higher than in January, 1927, and also than in the same month of any year since 1920. The municipalities report permits for building estimated to cost $7,708,904, as compared with $5,676,537 in the same month a year ago. There was, therefore, an increase of 35.8 per cent.

The increase in business building is invariably accompanied by an improvement in associated industries, principally iron and steel. Brick and clay products, cement, lumber, etc., all come in for greater demand, but the increased utilization of structural steel, piping and other iron and steel products affects beneficially one of the important basic industries of the country.

This is well illustrated by current statistics. During January production of iron and steel was the highest reported in several months and is the first sign of the industry accurately reflecting current conditions. If the motor car industry had not been in a disturbed state, it is more than likely that output would have reached record proportions for the period.

It is too early to expect any definite improvement, or the return of production to a scale comparable with that prevailing in the first half of 1927, in the automobile industry. Returns for January show a total output of 8,463 cars. While this is an advance of 146 per cent. over the 3,435 cars made in the previous month, comparison with the same month last year shows a decline of 45 per cent.

This is disappointing, but it should not be overlooked that very slow progress is being made with the new Ford model in reaching the promised mass production. If one were to deduct the output of the Ford plant, comparison of figures for January of 1927 and 1928 would make a more favorable showing.

Consumption Increasing

Conditions in the automobile industry are even better than one would judge from production figures. The apparent domestic consumption in January last, for example, amounted to 6,147 units, as compared with 1,908 in the preceding month and with 8,915 in January, 1927. The decline in marketings, therefore, is less than in actual production.

The inference to be drawn from January results is still the fact that, while the public is not buying cars on the same scale as last year, the market is as strong as ever and is only awaiting more stabilized conditions within the industry before buying in larger volume.

Freight Movement Heavy

Judging by weekly reports on freight loaded, the Canadian railways are handling a heavier movement than in any recent year. For the week of February 18, car loadings totalled 64,611, as compared with only 59,960 in the corresponding period of 1927. Cumulative figures for the year now total 439,340. This compares with 414,615 and 385,979 in the corresponding period of 1927 and 1926, respectively.

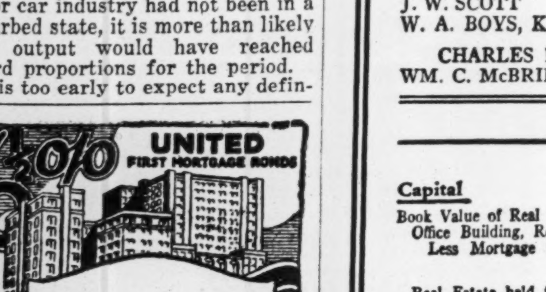
Much of this improvement has been due to the heavier loadings of grain and grain products, coal, coke, pulpwood, pulp and paper, other forest products, ore and merchandise. Small declines have been recorded for livestock, lumber, and miscellaneous, but it is expected that these items will record a gain before long.

Saskatchewan to Protect Municipal Deb. Holders

A measure has been introduced into the Saskatchewan Legislature which subjects to the approval of the local government board any proposal by a municipality to sell out its public works such as gas supply, electric light systems and similar utilities. In a number of cases the source of public revenue has been from these utilities, and if they pass into private hands there remains a danger of the municipality being without adequate revenue to take care of their outstanding obligations. By the amendment to the Municipal Public Works Act, which is proposed, all such details will be reviewed by the local government board, and by the terms of the amendment it is apparent that the intention sought is to protect the holder of municipal debentures.

Wolverton & Co. Move

Wolverton & Co., Vancouver, B.C., who have been established with offices in the Dominion Bank Building, since 1910, moved their stock and bond business on March 1 to larger premises on the third floor of the Vancouver Stock Exchange.



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Will Name Commission to Make Investigations Into Tobacco Industry

Inability of Western Ontario Growers to Market Crop in Britain Has Demoralizing Influence on Industry — Say Quality of Crop to Blame

In view of the fact that large quantities of tobacco grown in Western Ontario in 1927 still lie unsold in Liverpool, while a great deal remains in the hands of the growers, the minister of agriculture has ordered a commission appointed to inquire into conditions in connection with the tobacco-producing area in Western Ontario and to make such recommendations as it may deem advisable for the improvement of the situation.

This brings to a head a situation which has been developing over the past two years. Prior to that time, the growing of tobacco in Canada was conducted on a small and generally profitable scale. The market at home and in the United Kingdom was sufficiently large to absorb the entire output and net the growers a reasonable return on their investment.

In 1925 the British preference on tobacco was re-established. Back in 1916 the British Government gave a preference to induce the growing of better grades of tobacco in the British colonies for consumption in the British market. This preference was taken away in 1921 and again put in force late in 1925. It gives the growers of colonial tobacco a preference of 48 cents a pound in the British market.

Sales Advanced

Immediately the tobacco-growing lands of Western Ontario came in for a great deal of attention. Speculation was rife and sales at enormously advanced prices were common. Many tobacco growers from the United States migrated to the district. The inevitable happened.

In 1926 production of tobacco in all Canada was only slightly over 20,000,000 lbs. Last year, however, saw an abnormal increase. While final figures are not available, recent estimates place the crop at nearly 35,000,000 pounds.

Hitherto marketing had been given little consideration. The rapid advance in exports to the United Kingdom was cited to show how Canadian tobacco was growing in popularity in that market, and that little trouble would be experienced in marketing all the tobacco Canada could produce.

As a rule the major part of the tobacco is sold before Christmas, while it is in the curing barns and before it is stripped. The fact that a large part of the 1927 crop still remains unsold is sufficient evidence of the instability of the British market, even though a preference is granted.

Increase in Exports

While there has been a phenomenal increase in exports to the British market, it should be remembered that during this period of expansion the quality of the crop was kept up to a high standard. The sudden increase in production last year was undoubtedly accompanied by the growing of a lot of inferior tobacco.

Recently, the Ontario Department of Agriculture, in a bulletin on the tobacco industry, referred extensively to the British preference and said that the advantage given is not a permit to unload any class or grade of tobacco; Britishers are shrewd traders and demand products of high quality and are prepared to pay a fair price upon the open market, but they are not bidding for low-grade material. If such cannot be shipped to Great Britain profitably, it then must be sold on continental or on the home markets, but for a price at which it cannot be profitably produced.

Further on the report says: "The expansion of the tobacco industry depends very largely upon exports and, under such a condition, quality is the first consideration from the producer's as well as the buyer's standpoint. Canadian tobacco has created a favorable impression in Great Britain, but this popularity cannot be continued unless the growers, packers and exporters join to protect the trade by growing and guaranteeing every pound of tobacco exported."

Controlling of Production

The whole problem seems to be the controlling of production and thereby quality, so that the product supplied to the British market will not fall below a certain set standard.

The farmers in Western Ontario want to set up a co-operative marketing organization. But such an association, while it would benefit the industry as a whole, would not better the condition of the individual grower so long as the quality of his tobacco was not maintained.

Shawinigan's Financing Reduces Fixed Charges

From Our Own Correspondent

MONTREAL.—By issuing one new share to its stockholders for every four shares outstanding, the Shawinigan Water and Power Company will obtain from the proceeds of the financing a total of $15,885,000. This will be used in various ways.

First, having acquired the complete ownership of the St. Maurice Power Co., Shawinigan will call the outstanding bonds of this subsidiary. This will require, with premiums, $10,750,000. In addition, a substantial sum will be loaned to Quebec Power, Shawinigan's largest subsidiary, to redeem some of its underlying issues, including the 5 per cent. issues of the Quebec Railway, Light, Heat and Power Company and the Quebec-Jacques Cartier Electric Company. The readjustment in Shawinigan's capital structure will result in effecting a substantial saving in annual fixed charges.

Brantford Cordage Plants Operate at Capacity

Plants of the Brantford Cordage Co., Ltd., are operating at capacity, and it is expected this condition will prevail for some time. Were it not a factor of prices all conditions surrounding the company would be highly satisfactory.

The earning power of the company has been seriously affected by the severe price war waged against Dutch producers. Plants of Brantford Cordage are working 59 hours per week regular time and six hours overtime.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest 1927	Latest 1926	To Date 1927	To Date 1926
Production—				
Pig iron tons (Jan. '28)	65,096	51,717	......	......
Steel, tons (Jan. '28)	84,295	58,551	......	......
Newsprint, cwts. (Jan. '28)	186,721	161,724	......	......
Automobiles (Jan. '28)	8,463	15,376	......	......
Boots and shoes, pair (Dec.)	1,411,517	1,474,439	17,731,514	17,563,784
Flour. bbls. (Nov.)	2,120,116	(3 mos.)	6,810,910	6,998,727
Construction—				
Building permits (Jan. '28)	$ 7,708,904	$ 5,676,537	......	......
Contracts awarded (Jan. '28)	20,480,000	16,771,800	......	......
Labor—Employment index, Jan. 1928—			99.5	94.8
Transportation—				
Car loadings (to Feb. 18, '28)	64,611	59,960	439340	385,979
C.P.R. gross (Jan. '28)	$15,320,285	$14,435,369	......	......
C.P.R net (Jan. '28)	1,878,036	1,510,234	......	......
C.N.R. gross (Jan. '28)	$18,871,671	$17,776,836	......	......
C.N.R. net (Jan. '28)	2,321,011	2,232,100	......	......
Elec. Power—Generated—				
Thousand kil. hours	1,082,126	1,015,119	11,026,118	10,129,503
Population—				
Emigration (Dec.)	5,110	......	(12 mos.)	81,506
Immigration (Dec.)	4,566	5,415	*128,928	*114,035
Trade (Jan. 1928)—				
Imports	$79,506,417	$78,805,632	......	......
Exports	82,564,479	84,094,692	......	......
Imports of key products (Dec)—				
Rubber, lbs	5,156,384	(12 mos.)	59,145,951	45,366,966
Cotton lbs.	19,198,230	(12 mos.)	136,232,068	134,690,811
Sugar, cwt.	247,007	(12 mos.)	9,539,653	11,299,111
Petroleum, gals.	67,625,527	(12 mos.)	804,133,751	667,627,576
Coke, tons	58,863	(12 mos.)	772,235	988,034
Exports of key products (Dec.)—				
Newsprint, cwt.	3,384,043	(12 mos.)	37,637,308	34,639,718
Automobiles, pass. (No.)	1,857	(12 mos.)	39,000	53,628
Wheat, bush. (Jan. '28)	15,200,789	(6 mos.)	158,515,344	152,086,152
Wheat Flour, bbls.	765,792	(6 mos.)	4,961,858	4,954,935
Finance—				
Failures, number	......	......	1,827	1,773
Failures, liabilities	......	......	$30,554,976	$32,291,125
Bank Debits (Dec.)	$4,274,077,902	$2,843,153,843	$36,093,503,098	$30,358,034,018
Bond Sales (Dec.)	$16,711,620	$13,026,009	$617,114,900	$573,229,879
Stock prices index (Feb. 16, '28)	......	......	331.5	123.0
Insurance sales (Jan. '28)	$47,569,000	$36,968,000	......	......
Wholesale prices (1913-100)—				
General Index, Jan. 1928	......	......	151.2	150.9
Iron	......	......	141.7	145.9
Cotton	......	......	158.1	112.5
Grains	......	......	162.4	153.4
Cattle	......	......	151.4	104.5
Rubber	......	......	63.8	60.8

*Nine months.

Why Guess?

To guess at property values, capital and operating charges is to prejudice the truth of balance sheets and earning statements. A Canadian Appraisal will enable you to substitute for guesses accuracy that can be proved. Nothing less careful or thorough will suffice.

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Our Investment Survey contains several items of interest to investors in addition to a list of attractive investments. Copies may now be had by those interested upon request.

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of

Twelve Per Cent. Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Monday, the Second Day of April

next, to Shareholders of record at the close of business on the Fifteenth day of March.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, February 15th, 1928.

SIXTEENTH ANNUAL REPORT OF

The Sterling Trusts Corporation

Head Office: 10-12 King Street East, TORONTO — Branch: REGINA, SASK.

DIRECTORS AND OFFICERS

W. H. WARDROPE, K.C., *President*, Hamilton, Ont.

Vice-Presidents

A. W. BRIGGS, K.C. — NORMAN SOMMERVILLE, K.C. — CHARLES BAUCKHAM

J. W. SCOTT — DR. J. W. RUTHERFORD, M.P. — JOHN HALLAM — NICOL JEFFREY, K.C.
W. A. BOYS, K.C., M.P. — H. P. KENNEDY — C. H. BURGESS — LORNE JOHNSON

CHARLES BAUCKHAM, *Managing Director* — JAMES R. LOVATT, *Secretary*
WM. C. McBRIEN, *Manager Real Estate Department* — LORNE JOHNSON, *Manager Regina Branch*

BALANCE SHEET AS AT DECEMBER 31st, 1927

ASSETS

Capital		
Book Value of Real Estate:		
Office Building, Regina		$ 110,000.00
Less Mortgage thereon		34,150.37
		$ 75,849.63
Real Estate held for sale		5,158.53
		$ 81,008.16
Office Furniture and Fixtures, etc., less Depreciation		4,405.40
Mortgages and Agreements Receivable (Net):		
Principal	$412,135.86	
Interest, Due and Accrued	15,295.43	
		427,431.29
Loans secured by Mortgages, Stocks and Bonds		45,217.90
Stocks and Bonds		6,071.60
Advances to Estates, Trusts and Agency Account		95,731.44
Fees, Commissions and Accounts Receivable		11,759.07
Cash on Hand and in Banks		59,791.68
		$ 731,416.54
Guaranteed Trust		
Mortgages:		
Principal	$79,554.58	
Interest Accrued	687.25	
	$80,241.83	
Provincial and Municipal Bonds, at cost and Accrued Interest	16,790.47	
Cash on Hand and in Banks	32,495.39	
		129,527.69
Estates, Trusts and Agency		
Funds and Investments and Book Value of Assets held for Administration, Realization and Distribution	$7,219,718.60	
Cash on Hand and in Banks	105,300.58	
		7,325,019.18
Total		$8,185,963.41

LIABILITIES

Capital		
Capital Stock:		
Authorized, 20,000 shares of $100.00 each		$2,000,000.00
Issued—8,428 shares of $100.00 each, on which there has been paid		599,122.90
Reserve Fund		100,000.00
Accounts Payable		2,160.12
Dividend Payable		16,182.33
Deferred Profits Reserve		1,539.44
Reserve for Income War Tax, 1927 (Estimated)		2,900.00
Profit and Loss		9,511.75
		$ 731,416.54
Guaranteed Trust		
Guaranteed Investment Receipts	$93,318.31	
Interest Accrued and Unpaid—Guaranteed Investment Receipts	1,390.07	
Deposits bearing Interest	34,819.31	
		129,527.69
Estates, Trusts and Agency		
Amounts due to Estates, Trusts and Agencies, as per contra		7,325,019.18
Total		$8,185,963.41

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31ST, 1927

Dividends paid to Shareholders	$ 38,203.45
Dominion, Provincial and Business Taxes	6,741.38
Transfer to Reserve Fund	10,000.00
Balance as at December 31, 1927	9,511.75
Total	$ 64,456.58

Balance as at December 31, 1926	$ 7,450.98
Add Net Profit for the year after deducting Management Expenses, etc.	57,005.60
Total	$ 64,456.58

AUDITORS' CERTIFICATE

We have examined the accounts of The Sterling Trusts Corporation maintained at Toronto and Regina for the year ended December 31, 1927, and have prepared therefrom the appended Capital and Guaranteed Trust Balance Sheets, which, in our opinion, are properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as at December 31, 1927, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

We have obtained all the information and explanations we required.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

SUBSCRIPTIONS HAVING BEEN RECEIVED IN EXCESS OF THE AMOUNT OF THIS ISSUE, THIS ADVERTISEMENT APPEARS AS A MATTER OF RECORD ONLY.

NEW ISSUE

$500,000

George Weston, Limited

7% Cumulative Redeemable Preference Shares

($100 Par Value)

The Preference Shares are preferred as to assets and are entitled to preferential cumulative cash dividends at the rate of 7% per annum, payable quarterly on 1st February, May, August and November, at any branch of the Company's bankers in Canada (The Bank of Nova Scotia). The first dividend will accrue from February 1st, 1928. The Preference Shares are callable in whole or in part on any dividend date at the option of the Company on 60 days' prior notice at $110 per share and accrued dividend.

Transfer Agents: National Trust Company, Limited.

Registrar: The Toronto General Trusts Corporation

CAPITALIZATION

	Authorized	Issued
7% Cumulative Redeemable Preference Shares (Par Value $100)	$1,000,000	$500,000
Common Shares (without nominal or par value)	25,000 Shares	25,000 Shares

From a letter addressed to us by Mr. Garfield Weston, President and General Manager of the Company, and from other information which we have obtained, we summarize as follows:—

BUSINESS AND MANAGEMENT—George Weston, Limited, has been organized in 1928 under the laws of the Dominion of Canada, to acquire the business, undertaking, assets and goodwill of George Weston, Limited, which was incorporated in 1910 by the late George Weston to engage in the manufacture and distribution of fine biscuits. Since the death of Mr. George Weston, the business has been under the management of his son, Mr. Garfield Weston, who was responsible for the introduction to Canada, in 1922, of English quality biscuits. Since then very rapid progress has been made. Mr. Garfield Weston is regarded as a very able executive and has surrounded himself with an excellent organization.

The Company uses the most up-to-date and approved methods in the production of its biscuits. Continued improvement of the plant makes it today one of the most modern in Canada. Certain factors, peculiar to Weston's process, are in no small way responsible for the recognized quality of the Company's products.

For the last six years the business of the Company has actually doubled itself every three years. Net sales for January, 1928, were 100.3% greater than those for January, 1926, and 40.2% greater than those for January, 1927. Accompanying this very rapid growth the Company has carried on an extensive advertising campaign, and during the last five years has spent annually in general advertising about $50,000. The full advantage of this expenditure is just now about to be realized by the Company.

In addition to the tremendous progress the Company has made in Canada, recently extensive operations have been undertaken in the United States. The initial order secured in that country was the largest single biscuit order ever placed by a Canadian company in the United States. Since then similar orders have been received and there is every indication of the continued growth of this export business during the coming years.

ASSETS—The fixed assets being acquired by the Company, including land, buildings and equipment, were appraised in January, 1928, by the Dominion Appraisal Company, and after additions at cost and adequate allowance for depreciation, stand on the Company's books as at January 1st, 1928, at $606,569.26.

The net current assets of the business at January 1st, 1928, as certified to by Messrs. Edwards, Morgan & Company, Chartered Accountants, amounted to $306,264.12. The combined net tangible assets as at January 1st, 1928, amounted, therefore, to $912,833.38, which is equal to $182.56 for each share of preferred stock.

EARNINGS—The net earnings of the Company after eliminating certain non-recurring expenditures, and after providing for depreciation and federal income taxes, as certified to by Messrs. Edwards, Morgan & Company, for the year ending December 31st, 1927, amounted to $86,594.36, or over 2.4 times the total annual dividend requirements on the present issue of preference shares. The balance of the earnings available for dividends on the common stock amounted to $2.06 per share on the 25,000 shares of common stock now outstanding.

SAFEGUARDS—The Charter provides that the Company shall not declare any dividend on the common stock that would reduce the total amount of its then current assets below 200% of its then current liabilities, nor the net current assets of the Company below the sum of $250,000.

The holders of preference shares have no voting rights unless default is made in payment of six quarterly dividends upon the preference shares. In that case the holders of preference shares shall have the same voting rights as holders of common shares, viz., one vote for each share held, and shall be entitled to elect two directors. Such right ceases upon payment of all cumulative preferred dividends.

SUBSCRIPTION RIGHTS—The subscriber for 10 shares of preference stock of this issue shall have the right, at the time of purchase, to buy 2 shares of common stock at $30 per share. No allowance will be made for fractional shares.

PRICE: 100 and accrued dividend per share

These shares are offered for sale and delivery if, as and when issued and received by us, and subject to the approval of all legal proceedings by our Counsel, Messrs. Long & Daly, and by Mr. C. W. Kerr of Toronto, Counsel for the Company.

Application will be made in due course to list the preferred and common shares on the Toronto Stock Exchange.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

Pulp & Paper

BROMPTON REPORT SPLENDID READING FOR SHAREHOLDER

Increased Earnings and Extremely Sound Position Shown in Report

From Our Own Correspondent

MONTREAL.—The annual report of the Brompton Pulp and Paper Company covering the 1927 year makes extremely satisfactory reading for the shareholders, showing as it does, increased earnings, an allowance for depreciation of more than twice the figure of former years and a sound balance sheet position.

The following figures compare the income account and working capital position of the company over the past three years:

	1927	1926	1925
Gross inc.	$1,545,130	$1,240,954	$1,321,065
Deprec.	571,698	252,000	255,000
Balance	973,432	988,954	1,066,065
Bond int.	292,351	321,440	299,359
Net income	681,081	667,514	766,708
Sub. pfd. div.	1,750	17,500	17,500
Balance	679,331	650,014	749,206
Pfd. divs.	155,200	160,000	160,000
Balance	524,131	490,014	589,206
Com. divs.	280,000	70,000	......
Surplus	*244,131	420,014	589,206
Earn. on com.	3.74	3.50	4.20

*Of total $191,599 is applicable to Brompton Pulp and Paper and $52,530 to Claremont Paper Company, Inc.

Working Capital Position:

	1927	1926	1925
Curr. assets	$4,196,796	$5,630,089	$5,375,432
Curr. liabs.	1,694,424	1,956,259	1,932,828
Work. capital	2,502,372	3,673,830	3,442,604

Since the last annual report, the company sold its subsidiary, the Groveton Paper Company. This year the annual report contains the balance sheets both of the parent company and its wholly-owned subsidiary, the Claremont Paper Company. As these two balance sheets are not consolidated, into one exhibit, the 1927 Brompton statement is hardly comparable to the 1926 statement.

In the last annual report, Brompton's bank loan amounted to $475,000. This year bank loan is $615,000. The balance sheet now shows fixed assets of some $14,300,000 including the common stock of the Claremont Company. Against this figure the liabilities show a total in reserve for depreciation and surplus account of $4,302,389. The enlarged depreciation allowance this year is the more satisfactory as the company disposed of one of its plants during the year.

Retired Preferred Stock

During the year, the company retired 1,200 shares of its preferred stock; the entire preference issue of the Claremont Company, amounting to $250,000 was also redeemed. The balance sheet of the subsidiary company shows that it occupies a satisfactory position.

In his remarks to the shareholders, E. W. Tobin, the president, says in part:

"The sale of your subsidiary, the Groveton Paper Company, Inc., of which you have already been advised, has changed the accounting system so that it is possible to give you a clearer picture of your company by submitting balance sheets of the Brompton Pulp and Paper Company, Limited, and the Claremont Paper Company, Inc., separately, rather than in consolidated form as heretofore.

"The satisfactory improvement in earnings made it possible to set aside for depreciation a sum greatly in excess of the amount provided in previous years, and still carry a substantial balance to surplus account."

Clyde and Sissiboo Again in Difficulty

From Our Own Correspondent

MONTREAL.—The Clyde & Sissiboo Pulp Company is to go into receivership and will be operated for the bondholders by the Royal Trust Company. The entire investment interest in the company is confined to its $470,000 bond issue, which was originally guaranteed unconditionally by Becker & Company, of England. The guaranteeing company, though, went into liquidation some years ago, when the market for pulp and paper declined.

Later the Clyde & Sissiboo Pulp Company properties passed into the control of Edward Lloyd Company, Limited, of London, England. That company guaranteed the interest on the bond issue as long as it controlled the property. But the Edward Lloyd organization has thrown up its interests in the plant. Hence, the Royal Trust Company has made application to the Nova Scotian courts to be appointed receiver of the property.

The difficulties of the company bear witness to the depressed state of the pulp and paper markets generally, and the groundwood pulp market in particular. The company owns two groundwood mills with an annual capacity of 13,000 tons of mechanical pulp on the Clyde and Sissiboo Rivers in Nova Scotia. It also owns developed and undeveloped water powers in Nova Scotia. Its timber limits consist of some 76,000 acres situated on these two rivers.

FRASER'S GET CONTRACT

MONTREAL.—It is understood that the Fraser Company has closed a big contract for paper from its Madawaska, Maine, mill for paper with the Sears-Roebuck organization. The paper is to be used in the mail order catalogues of this large U.S. retail organization.

Construction of a trans-Pacific liner as large as the Empress of Canada is planned by the Canadian Pacific Steamships for service out of Vancouver, it is announced by Captain E. Beetham, general superintendent of the Canadian Pacific Steamships.

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Index Shows Market Trend

Copper-Gold Stocks (Rouyn District) Have Greatest Rise and Fall

Price movements of seventeen of the leading Canadian mining stocks dropped during the week of February 16, the weighted index number issued by the Dominion Bureau of Statistics now standing at 122. This is on the basis of 1926 prices equalling 100.

The bulletin as now issued by the Bureau sets out the mining stocks as distinct from the general stock issues, and will prove of much interest to those who follow the mining market.

Stocks included in the index are confined to producing mines, or, as in the case of mines such as Amulet, those which are on the point of passing into that category. The list is as follows: Premier in B.C., Coniaurum, Dome, Hollinger, McIntyre, Vipond Consolidated in the Porcupine Area, Amulet, Noranda in the Rouyn field, Kirkland Lake, Lake Shore, Sylvanite, Teck Hughes, Wright-Hargreaves in the Kirkland Lake zone and Beaver, Nipissing, Coniagas and Mining Corporation of the Cobalt-South Lorraine section. Mines of a semi-industrial nature, such as International Nickel and Consolidated Mining and Smelting Company, are not included in this index but are included in the Bureau's investor's index of common industrial and public utility stocks.

During 1927 the general index rose from 116.0 in January through a series of fluctuations until 143.8 was reached for November, after which the movement tended downward. At the end of the first week in January it stood at 138.6 but for the week ending February 16th had fallen to 122.0.

Gold stocks were 113.1 in January and 139.7 in October, 1927. They were 137.2 in the first week of January of this year and 120.9 for the week ending February 16th.

Copper-gold stocks were 132.3 in January and 175.2 in October, 1927. They were 153.7 in the first week in January, 1928, and 129.4 for the week ending February 16th.

Silver stocks commenced 1927 with an index of 116.5, rose to 122.2 in February, were 101.1 in July and 129.3 in November. They commenced 1928 with an index of 120, rose to 128.4 for the week ending January 26, but fell off to 107.0 in the week ending February 16. The movement of this group, however, was strongly affected by special circumstances such as Mining Corporation's interest in Flin Flon and Nipissing's interest in Robb-Montbray. Coniagas' value is largely dependent on Coniaurum and Beaver's on Kirkland Lake mine. The group index numbers cannot therefore be taken as indicating the movement of silver stocks per se.

The index for copper-gold stocks (Rouyn district) shows the greatest rise and fall. From January to October, 1927, it rose 43 points and from October, 1927, to the last week in February for which computations have been made it fell 46 points.

Acreage prepared for the 1928 crop in the prairie provinces is estimated at 16,295,570 acres as compared with 15,374,862 acres in 1927.

HUNT'S EARNINGS SHOW INCREASE FOR PAST YEAR

Amount Available for Common Stock Totals $2.77 a Share

Earnings of $2.77 a share are shown for the no-par common stocks of Hunt's, Ltd., for the year ended December 31st, 1927. This is after provision for preferred stock dividends.

Sales in 1927 amounted to $802,108, as compared with $685,302 in the preceding year, and $497,362 in 1925. There has been a steady increase recorded each year since 1921, when sales totalled only $314,378.

Net profit for the year, after deducting all operating expenses, including depreciation, totalled $69,577, which with the surplus in the previous year of $102,764, brought the profit and loss account balance up to $172,341. From this, Federal income taxes and preferred dividends, totalling $27,907 were deducted, leaving $144,434.

Liquid Position Good

The balance sheet of the company at the end of 1927 shows current assets of $121,039, and current liabilities of $75,044. Land, buildings, plant and other fixed assets are marked up to $513,590, while goodwill is placed at $1. The company has no bonds outstanding, and is not indebted to the banks.

Last year's good results were accomplished in spite of the fact that the company did not have the use of the proceeds of the new financing undertaken last spring until well on towards the end of the year. The Walker Avenue factory extension was not completed until the middle of autumn, and the two new stores, established in Toronto, were not in operation until November and December.

Expect Larger Business

During the early part of the year, the factory was operating to capacity, and it was impossible to open new stores and supply them with merchandise, but with the added factory space, a further increase in business in 1928 is expected. At the present time, Hunt's has three new locations under consideration.

At the director's meeting, an initial dividend on the common stock at the rate of $1 per annum was declared, the first quarterly payment of 25 cents a share to be payable on April 1 to shareholders of record on March 15.

FORGINGS REPORT SHOWS DECREASE IN GROSS PROFIT

This is Offset by Better Liquid Position — Outlook Favorable

From Our Own Correspondent

MONTREAL.—Although the annual report of the Canada Foundries and Forgings for the 1927 year revealed a not insubstantial decline in profits, net earnings for the second time since 1919 were largely in excess of a full year's preferred dividend requirements. In addition, largely through a substantial reduction in the bank loan, the company closed the year with a working capital position somewhat stronger than at the close of 1926. There were no other changes of significance in the 1927 balance sheet as compared with 1926.

The following figures compare the results of the company's operations over the past three years also its working capital position:

	1927	1926	1925
Profits	$ 125,818	$ 140,589	$ 76,391
Deduct:			
Bond int.	13,434	13,434	13,434
Other int.	11,794	12,478	12,984
Admin. exp.	27,048	25,310	26,006
Net income	73,542	89,367	23,967
Prev. surp.	1,077,886	988,519	964,552
Total	1,151,428	1,077,886	988,519
Dividend	48,000	......	......
P. & L. bal.	1,103,428	1,077,886	988,519

Working Capital Position:

	1927	1926	1925
Curr. assets	$953,980	$964,256	$896,212
Curr. liabs.	209,990	252,819	299,106
Net W. cap.	743,990	711,437	597,112

While the foregoing figures show a decline in earnings, yet when compared with all the post-war years, excepting 1926, the showing can be regarded as favorable.

During the year the company made three quarterly dividend payments totaling $48,000 on the arrears of dividends on its preferred stock. In his remarks to the shareholders, W. M. Weir, the president, pointed out that the past two years have witnessed a considerable improvement in earnings and that he hopes that the future will continue to show some improvement in the results. The surplus now carried on the balance sheet stands at the highest figure ever shown by the company.

Two New Partners Admitted to Clarkson, Gordon Firm

A. E. Nash and H. E. Guilfoyle have been admitted to partnership with Clarkson, Gordon & Dilworth, one of Canada's largest firms of chartered accountants. The firm will now be known as Clarkson, Gordon, Dilworth, Guilfoyle and Nash.

Major Nash has been prominently in the public eye of late, because of his investigations and evidence in the Home Bank and customs department enquiries. Major Nash, on his return from overseas, occupied the position of internal auditor of the MacLean Publishing Company for two years. Mr. Guilfoyle has been with his firm for a number of years.

The new name will be used only in Toronto. In Montreal and Quebec the firm has been merged with the firm of McDonald, Currie & Company and will practice as Clarkson, McDonald, Currie & Company.

Kelvinator Stocks Rise as Parent Looks Better

Common and preferred stocks of Kelvinator Co. of Canada show signs of staging a revival with the betterment in the outlook for Electric Refrigeration Corp., in the United States. Kelvinator common, which recently sold down to 4, has latterly been as high as 8, which is a fat profit for those who bought at the low. Kelvinator preferred, with a low for the year of 62½, is currently selling at 75½ to 76 and has been as high as 80.

The $56,000 required for preferred dividends of Kelvinator Co. of Canada is guaranteed by Kelvinator Co. of Detroit, which is controlled by Electric Refrigeration Corp. It is reported that Kelvinator Co. of Canada of itself is doing somewhat better this year than last.

Muirhead's Profit Grows From Night Business

Announcement that Muirhead's would open a restaurant in the Brock building at Wellington and Bay streets, Toronto, is in line with the policy of expansion which the company is pursuing. The company now operates three cafeterias in downtown Toronto and all do a capacity business in the noon hour. Adelaide street restaurant has been open evenings until 2 a.m. for the last two months and the management reports that the results have been eminently satisfactory.

It is possible that the new restaurant on Bay street will be of a different type than those already in operation.

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Tobacco Stocks

What is the outlook for the tobacco stocks?

The outlook for Canadian Tobacco Manufacturers has improved somewhat with the prosperity of the country and the growth among women of the habit of smoking cigarettes.

Com. & Transport Bldg.

Please give me your opinion of preferred shares of the Commerce and Transportation Building, Ltd., being offered by G. A. Stimson & Co.

In our opinion, the 7 per cent. preferred stock of the Commerce and Transportation Building, Toronto, is not a thoroughly safe investment. One reason is that at this time it is not known what value of bonds will have a prior charge on the earnings.

English Electric

Would you give me your opinion of English Electric Co. of Canada for a fairly quick appreciation and if it is a good sound investment and which of the preferred or common would be the best for me to buy?

The stock of English Electric Company of Canada, Limited, must be considered speculative for the time being, although the outlook of the company is fairly good.

Other common stocks which in our opinion are somewhat more attractive at this time are:

Fanny Farmer.
Building Products.
J. S. Mitchell.

City Dairy

Do you think it would be all right to sell a building bond and buy City Dairy?

The question as to whether or not you should sell a building bond and buy City Dairy can be answered simply by your deciding whether you want immediate yield or ultimate appreciation. City Dairy at present is selling on a low yield basis, but there should be increases in dividend from time to time as there have been in the past, and there may be considerable further appreciation in market value. City Dairy is a high grade common stock. Northern Ontario Building 6½ per cent. bonds should remain a good investment in their class.

Manufacturers' Finance

1,000 shares 8 per cent. preferred. $1,000, and 500 shares Common, $250. Do you consider this a good hold? They have been paying their regular dividend at 8 per cent. on preferred, but I am considering selling and would like to get an idea of what it should be worth.

Manufacturers' Finance Corporation preferred stock is a speculative investment. Its principal defect is its lack of marketability. However, if the holder purchased it at somewhere around $7 from one of the unlisted security dealers, he is likely to secure something like that figure for it, or better. The investment is not thoroughly sound—that is to say, it is not a gilt-edged investment, but it has a speculative possibility, and the company apparently is making fair progress.

There is some difficulty in getting an exact picture of the company for the reason that the corporation has been absorbing new companies rather rapidly so that it is impracticable to compare one balance sheet with another.

The common stock in this company is, of course, of little value at this time.

British American Oil

I should like your views on this concern.

British American Oil is the second largest refiner and distributor of gasoline and other oils in Canada. The company has done very well in the past and it is fair to assume that the future will be bright. Canadian Oil Company is a smaller distributing organization with a refinery in Cleveland. The stock has risen somewhat rapidly recently, but the future may be said to be promising.

Royalite Oil

I hold some Royalite Oil Co. shares which I have a little profit on now. It appears to be they ought to make $40 per share before the Summer is over. I would like to know your opinion.

You probably are in a position to judge the merit of the Royalite Oil proposition. In our opinion, the outlook is good, in view of the fact that the resources of Imperial Oil are behind the venture. However, it is possible that earnings may be somewhat longer in coming than has been anticipated in view of the fact that there is a world surplus of oil.

Pioneer Bond Synd.

Recently I was persuaded to purchase a two thousand dollar bond from the Pioneer Bond Syndicate. Will you be good enough to say whether or not this is a bona fide Company and if you consider this a good investment?

The Financial Post, on December 16, 1927, published an article from its Vancouver correspondent relating to the Pioneer Bond Syndicate, Limited. As you apparently missed this article, we are enclosing a clipping.

We may say that we have received no information since publication of this article which would lead us to modify the unfavorable conclusions one might reach from a study of the facts.

To Invest $25,000

Having a substantial background of high grade securities I would like to have your suggestions for the investment of say $25,000 in a choice selection of preferred stocks and industrial bonds with no large amount in any one as my policy has been to keep my investments spread out. I have in mind such stocks as Goodyear, Cosmos, W. A. Rogers, Hamilton Bridge, Famous Players, etc.

The preferred stocks of Goodyear Tire and Rubber Co. of Canada, Cosmos Imperial Mills, Wm. A. Rogers, Hamilton Bridge, and Famous Players probably would be satisfactory investments over a term of years. We also think that you should consider such sound stocks as City Dairy preferred and Massey-Harris preferred.

There is a Massey-Harris bond which is a high grade industrial bond and the bonds of Steel Co. of Canada, Mercury Mills, Montreal Apartments, Anticosti Corporation, and Port Alfred Pulp and Paper should be satisfactory over a term of years.

As you apparently have a background of government bonds, and high grade utilities, we believe that you would wisely consider investment in such standard common stocks as C.P.R., Bell Telephone, Montreal Light, Heat and Power, Shawinigan Water and Power, Consumers' Gas, Toronto.

An adequate diversification among the common stocks of thoroughly sound companies probably is as inherently safe as investment in industrial bonds.

Fanny Farmer

Your advice re Fanny Farmer was certainly O.K., but my letter did not arrive until after stock had risen. Is there any other you could suggest as going ahead in the near future?

Our opinions from time to time on common stocks are based on the position of the companies so far as we can ascertain it, and have little or no regard to the immediate market position. When we suggested purchasing Fanny Farmer, it was at about the price prevailing as we wrote. In the meantime, the stock has been up four or five points. Looking ahead six months or a year, the outlook for this stock is still very attractive.

The same may be said for Building Products, Limited, and the second preferred of Canadian Canners.

Vacuum Gas

Please give me some information concerning Vacuum Gas.

The company is obtaining some oil in Kent County, Ontario, and gas in Norfolk County, Ontario. The oil is sold to Imperial Oil, Limited, and the gas is sold at wholesale in that district of Western Ontario. The income, we are informed, is not sufficient to pay dividends or to enable the company to carry on further development work. At the present time we are told the company is negotiating with stronger financial interests to carry on development on property controlled by this company. Vacuum Gas would, if the developments were satisfactory, obtain a substantial percentage of the oil produced under this proposed contract.

The capitalization of the company consists of $935,000 of $1 par value common stock. All of this is outstanding.

Canadian Brewing

Would you be so good as to let me know the capitalization, the directors and earnings and also the surplus of the Canadian Brewing Company and the dividend. I would also be pleased to have your opinion on the purchase of this stock at the present time.

This enquiry was answered in our issue of February 10. A corrected reply appears below.

Canadian Brewing Corporation common stock is on a $2 dividend basis and we are informed that the earnings are about $4 per year per share.

In the circumstances the stock appears to be a speculation with reasonably good prospects.

The company's capitalization consists of 150,000 authorized shares of no par value, of which 100,000 have been issued.

The directors of the company are: K. S. Barnes; H. C. Flood; H. F. Walker, Montreal; G. H. Levy, Hamilton; D. J. McDougald; D. D. MacLeod, Toronto, and J. C. Schultz.

West. Savings & Loan

Would you please advise me what you consider the standing of this concern who are guaranteeing 6 per cent. interest compounded annually on monthly sums deposited with them. Have there been similar Associations to this fail in the past? I have a policy with the Confederation Life Association and have the privilege of paying premiums in advance which will be held on deposit at the Company's rate of interest to policyholders. I understand this money can be withdrawn at any time. Would you consider it safer to do this than to place money with the Western Savings and Loan Association?

Western Loan and Savings Association recently has been incorporated under Manitoba laws.

The directors of the company are of good repute and we believe that the manager, by virtue of his legal training and his experience with savings and loan associations in the United States, should be able to make a success of a company conducted along sound lines.

Savings and loan associations have been successful in the United States and investors have benefited greatly wherever the companies have been conducted honestly and organized under laws created by the experience of the public. Apparently the Manitoba laws embody the sound principles of laws of most of the forty-eight states.

We think that this company in Manitoba should have a reasonable chance of success if its charter, or the laws, or the management, do not permit it to depart from sound practice as developed in the United States and Great Britain. We believe further that the development of savings and loan associations in Canada would be to the benefit of the country and to the investors.

The speculative element in the situation is that the company is new and its management, at least in Canada, untried. On the other hand, your arrangement with the Confederation Life is of long standing and the Confederation Life Association has been established for many years. Investment in Western Savings and Loan, probably would not be unsafe, while investment in Confederation Life Association very probably is wholly safe.

This is the distinction we would make between the two forms of investment.

Can. Royalties

Would you favor me with an opinion of an investment in Canadian Royalties Limited, Toronto, Ont. I am considering buying 100 units and would appreciate your own opinion in the enclosed stamped envelope.

Investment in the machines of the Canadian Royalties Company, Limited, Toronto, in our opinion is not a good investment. At the best it is speculative—the company has not a sufficient background of earnings to make it a seasoned investment, and should you wish to get any of your money out you probably would have difficulty in finding a buyer for these machines. We would think much more highly of the proposition if the company were selling stock to the public and was planning to operate the machines as part of the company's property. But even with this great improvement in the methods we would still say that the investment was highly speculative.

Break in Market

Would you mind giving me your opinion as to whether or not there is likely to be a break in the stock market in the next six months, and if so what class of stocks you would consider would be most vulnerable.

Your letter, dated February 15th, was received just as the stock market was experiencing a drastic reaction. This may be of a temporary nature, in fact, there are indications of this.

We do not believe that there is any person who is able to predict with any degree of certainty at this time as to whether or not there will be severe general reactions in the stock market. Neither is it always possible to tell definitely what classes of securities are likely to suffer most. But we are of the opinion that if a person owns outright, or is carrying on adequate margin, sound investment stocks, stocks which are well distributed among investors, rather than among speculators, the investor has little cause to worry.

Can. Gen. Investment

I would much appreciate your opinion of the Canadian General Investment Trust, Ltd. It looked to me good so I put $7,500 in. At that time I did not think they would be putting on a Second Canadian General Investment Trust, Ltd., with practically the same directors. Will you kindly give me your views?

It is the common practice in Great Britain, where the investment trust has been developed to a high degree, for a second investment trust to be organized under the same auspices as the original trust. In our opinion, the existence of a second trust does not impair in any degree the value or merit of the first venture. In fact, it should improve the first venture in view of the fact that certain operating expenses tend to be reduced. we think that the outlook for these investment trusts is good as long as they are conservatively managed. The one in which you have invested, and its affiliated trust, are apparently operating along sound lines.

J. S. Mitchell

I think you mentioned Stanford's at the same time as J. S. Mitchell. It would appear from your Stock and Bond list that they are paying a dividend, yet the price is considerably lower. Does the difference in your opinion denote the difference in their respective profits? I had thought of selling Winnipeg Electric preferred bought at 85 in order to buy these.

There will not be much further appreciation in the preferred stock of Winnipeg Electric Company, but the stock remains an excellent investment issue. If you are looking for appreciation of principal, however, you would perhaps be better advised to hold the common stock of this company, or the common stock of such a company as Montreal Light, Heat & Power Consolidated.

J. S. Mitchell possibly is earning somewhat more per share of common stock than Stanford's, Limited. This may account for some of the difference in market value of the two stocks, although Stanford's is a food stock and, therefore, must be considered in a more essential line of business. It is more important, however, to remember that Stanford's have 20,000 shares of common stock outstanding, while J. S. Mitchell has only 15,000 shares outstanding. Likewise, J. S. Mitchell pays 7 per cent. dividends on $600,000 of preferred stock, while Stanford's pay 7 per cent. dividends on $700,000 of two classes of preferred stock. Both issues are attractive.

Stocks Purchased

I am holding the following stocks purchased during the past year.

10 Asbestos Common at $22.30
5 Montreal L.H. & P. Com. at $84.00.
Bond Gatineau Power 1956 at $501.00.
5 Brazilian Traction before split, common at $138.00.
5 Dominion Bridge before split common at $157.00.
5 Dominion Bridge since split at $73.00.
12 shares General Motors at $135.00.
5 Noranda at $20.30.

I thought of selling Noranda and purchasing Muirheads Cafeteria at $16.00 to $17.00 and of selling Gatineau Power and buying Massey Harris. What are your views?

Common stock in the Asbestos Corporation is a good speculation if held for say three years. Montreal Light, Heat & Power common is an excellent investment which you should hold, in our opinion. Gatineau Power bond is a satisfactory investment. Brazilian Traction is just as attractive now for a long hold as it was when you purchased the old stock at 138. Dominion Bridge stock is a fairly attractive hold for a business man, but is somewhat speculative. Noranda is gradually getting into production and the present does not seem to be the time to sell.

We have not that contact in the New York markets which enables us to express opinions as to United States investments. Of course, General Motors has been one of the outstanding stocks of the last decade and its friends are of the opinion that the future is attractive.

Bridge bonds have been excellent investments, and there is no reason to anticipate that those of the Detroit International Bridge will not be good. The great immediate success of the Peace Bridge at Buffalo, is an indication of the success of the bridge at Detroit. While the Detroit Bridge will cost a great deal more money than the Buffalo Bridge, it is probable that there will be greater traffic in view of the fact that there are no other bridges across the Detroit River, while the Buffalo Bridge is the fourth vehicle bridge across the Niagara River, with the possibility that a fifth will be built within a few years.

Can. West. Nat. Gas

Would you kindly furnish me with any information you have at hand regarding the 6 per cent. Preference Stock of the Canadian Western Natural Gas Light Heat and Power, Ltd.

Canadian Western Natural Gas, Light, Heat and Power, in 1926, had earnings of approximately three and a half times the preferred dividend requirement. We believe that the position of the company gradually is improving and foresee no event which would make the preference stock a less attractive investment.

Roby's Products

Kindly advise if you would consider a purchase of Roby's Products, Ltd., stock, a conservative investment, with some prospect of appreciation.

Roby's Products, Limited, is a young company. The outlook is not altogether unpromising and we believe that the directors are making an honest effort to achieve success.

However, it is well to remember that investment in young companies is speculative for the reason that the percentage of success of unseasoned stocks is not large. This, in our opinion, is a business man's investment for a small purchase.

Oil Stocks

Will you please advise whether to hold the following stocks or sell, Imperial Oil at 61, B.A. Oil, at 38 and Nickel at 85? What will be effect of Eastern oil war in India on these stocks?

Imperial Oil at 61 and British American Oil at 38 as usual, are discounting the future of the oil companies to some extent, but we believe the investor who is reasonably patient will find a satisfactory experience. It must be remembered that Imperial Oil is the leading oil company in Canada engaged in all branches of the business, and that British American Oil is the largest of the so-called independents.

International Nickel at 85, likewise is discounting the future to a considerable extent, but we believe that the investor who is patient will be gratified with the result.

We do not believe that a situation obtaining outside the North American Continent, is likely to affect materially stock in either Imperial Oil or British American Oil.

Dom. of Canada Bonds

I am writing to ask your advice about my selling the $2000 worth of 1937 5½% Dom. of Canada bonds, I now hold which are now selling around 110, and re-investing the amount in first class "Industrials" since these are about the only bonds one can keep at par. The opportunity to make a couple of hundred dollars does not come to me too frequently. Am I justified in doing it?

You will understand that the margin on my salary for saving is not large, hence I haven't a dollar to gamble with—I want a good safe investment that will pay me as much as the above bonds.

If you advise my selling will you give me four of the best and safest industrials now offering in Canada? I mention four for the reason that I prefer to put the $2000 into four concerns rather than all into one.

Sound industrial bonds to give you approximately the same yield as you now receive on your $2,000 of Victory bonds 1937 are:

Montreal Trams. A, 1955, 5 per cent., to yield 4.9 per cent.

Steel of Canada, 1940, 6 per cent., to yield 5.14 per cent.

Canada Bread, 1941, 6 per cent., to yield 5.28 per cent.

Dominion Canners, 6 per cent., 1940, selling to yield about 5.7 per cent.

Any list of good industrial and utility bonds would include the foregoing. We would suggest further that you might substitute the stock of Consumers' Gas Co., Toronto, or the preferred stock of City Dairy, Toronto, for one or other of the aforementioned bonds. Consumers' Gas is a sound utility and the stock is the first charge on earnings. Under the contract with the city, a dividend of 10 per cent. virtually is guaranteed, while there are opportunities for further investment from time to time at attractive prices as the company requires additional capital for expansion.

City Dairy is one of the strongest companies in Canada, and the preferred stock is one of the highest grade investments.

We calculate that any four of the foregoing group of bonds or stocks would cost you something like $2,200 and that the yield therefrom would be approximately the same as you are now receiving from your government bonds. These investments are inherently sound and while there are other securities which would give you a somewhat higher yield, we think that if you do not wish to adhere to the soundest industrial bonds you would better buy into sound common stocks with a view to ultimate appreciation of capital rather than immediate yield.

Larger Income Wanted

On behalf of a man who is in ill health, and under considerable expense, and who has a capital of about $30,000 from which he derives an income of about $1,200, one of our clients has asked us if we would not recommend some high grade bonds or preferred stocks which would enable this man to obtain a larger income and a little more comfort.

We believe that it is possible for him to increase his revenue with safety, but as he has no prospect of recuperating any capital loss, we ask if you will be so kind as to recommend some investments from which his selection should be made.

Regarding your need for the investment of $30,000 to give a better yield than $1,200.

Sound industrial bonds would include Montreal Trams., 1955, yielding close to 5 per cent.; Steel of Canada, yielding better than 5 per cent.; Canada Bread, yielding about 5¼ per cent., and Canada Steamship 6's, 1941, yielding about 5¾ per cent.

Among the preferred stocks of sound industrial companies, we would mention the Howard Smith 8 per cent., selling at a price to yield close to 7 per cent.; Canadian Canners first preferred, yielding about 6½ per cent.; St. Maurice Valley Corporation preferred, yielding 6.66 per cent.; Canada Bread preferred, yielding a little less than 6 per cent.; City Dairy preferred, yielding about 5½ per cent.; Goodyear Tire preferred, yielding about 6½ per cent.; Wm. A. Rogers preferred, yielding about 7 per cent., and Bell Telephone, yielding close to 5 per cent.

We would suggest that if the holder left about $5,000 of his $30,000 capital in government bonds and spread the remainder of $25,000 among the preferred stocks we have mentioned, his factor of safety would be fairly high, and the yield, we believe, would be about 6 per cent. or $1,800 per year instead of $1,200 as at present.

Inclusion of such a stock as Bell Telephone Co. of Canada, for a moderate proportion of the total invested would give the holder an immediate yield, and at the same time give him some opportunity of appreciation in capital, which would add ultimately a little to the income. In the same class as the stock of Bell Telephone Co. of Canada, is Consumers' Gas of Toronto. The yield on this at this moment is slightly over 5 per cent., and there are occasional stock rights. The stock, as you probably know, is thoroughly sound.

List of Securities

I should very much appreciate your comments on the list of securities I hold; that is, would you recommend the sale of certain ones with the idea of re-investing or still keeping them as a hold? As you will notice, some shares almost doubled in market value since I purchased them. My idea is not for a quick turnover, but for a steady dividend coupled with capital and market appreciation for a period up to 10 years or even longer. I have for investment roughly on an average of $1500 a year saved out of salary. My bank purchases for me, and all dividends are paid into my account in the bank. I do not draw on this account except to pay my Insurance and small accounts.

The securities I hold are as follows with original purchase price including brokerage:

Spanish River P. & P. Co., Bond Series A 8% $1,000..$	995.00
Spanish River P. & P. Co., 5 shares Common	485.00
Can. Pac. Railway, 10 shares Common	1,285.00
Can. Pac. Railway, 1 share Common	150.00
Can. Pac. Railway, 1 share Common	176.00
Steel Co. of Canada, 10 shares Common	670.00
Bell Telephone Co., 10 shares Common	1,065.00
Bell Telephone Co., 7 shares Common	700.00
Imperial Oil Canada, 40 shares Common	1,405.00
Maple Leaf Milling, 10 shares Common	1,390.00
Studebaker Corporation, 25 shares Common	1,175.00
Canada Biscuit Co., 5 shares Pref. 7%	500.00
Canada Biscuit Co., 7 shares Common, this was in exchange for 5 Nor. West Biscuit Co. 8%.	
Hollinger Gold Mines, 25 shares Common	450.00
Teck Hughes Mines, 25 shares Common	155.00
Total....	$10,601.00
Approx. value in market on January 1st, 1928	$14,750.00

On Maple Leaf, I've been bitten as I've had no dividend since 1923 and it's still away below what I paid.

All these investments of mine in Canada have been taken on the advice of your valuable paper. I fully appreciate the sound advice you give in your columns. I have had in mind the following for future purchase:

Shawinigan, International Pete, International Nickel and Hillcrest Collieries. My main idea in this letter to you is, what should I dispose of, if any, and what to re-purchase with the proceeds, with the previous views I've stated? I am so far from the market in Canada that I cannot keep any daily record of events going on on your side. For instance your paper is usually over a month old when I get it.

On looking over your list of securities, we do not see anything that need cause you any worry. Presumably you are converting your Spanish River common shares into the common shares of the Abitibi Company, in accordance with the recent merger agreement. We are not familiar with the Studebaker Corporation, which is a United States company as you know, but we believe that the situation is satisfactory.

As to Canada Biscuit Company, you obtained this stock in exchange for stock of one of the constituent companies and probably you cannot advantageously dispose of it until the new company has made some further progress. There are no very definite reports concerning the progress of this company. But we believe that with Canada growing, the company will become a fairly substantial earner.

The progress of Hollinger Gold Mines in the last six or eight months has not been satisfactory, but we know of nothing wrong with the mine, and believe that ultimately the price will be higher. The same may be said of Teck Hughes, which has dropped somewhat in the market in the last two months, but which nevertheless is still somewhat higher than the price you paid. The mining market has been generally unsatisfactory since January 1st, but we have great faith in the future of the industry.

We believe that ultimately your investment in Maple Leaf Milling will prove highly satisfactory. The company is the largest in Canada in the milling business and we understand that the current year is more than ordinarily satisfactory.

We think that you would be wise to buy such standard common stocks as Montreal Power, Shawinigan Water and Power, International Petroleum and International Nickel. We would not omit Montreal Power from any list of standard common stocks which should appreciate in value over a term of years.

The present price of International Nickel is anticipating the future to a considerable extent, but as you are in position to be patient, we believe that your experience with this stock will be highly satisfactory.

The same may be said for International Petroleum, which as you know is a subsidiary of Imperial Oil.

You will hear from us later regarding Hillcrest Collieries.

When Women Invest

Four Are Given Information Concerning Commitments in Canadian Stocks

A WEEKLY FEATURE

I have 100 shares of National Steel Car. Recently I have been advised that this company probably will not pay a dividend for some time, as the Canadian Railways do not patronize Canadian companies for equipment Do you share this view?

We are favorably impressed with the outlook for National Steel Car. The company is very efficiently managed and can operate at a profit whether operating at capacity or at much less than capacity. The plant may be extended without serious capital expediture and it may be and is frequently diverted to the manufacture of other steel goods, such as automobile frames. We do not believe that the directors of the company will consider paying a dividend for some little time, but the reasonably good outlook for the company makes the stock a speculative attraction.

Commerce Bldg.

I am considering investing $1,000 in Commerce & Transportation Building, Toronto, 7 per cent. preferred stock. Do you consider the proposition a sound one?

We do not consider the 7 per cent. preferred stock of the Commerce and Transportation Building, Toronto, a thoroughly safe investment. One great objection to this preferred stock as an investment is the fact that no limit is set on the amount of bonds which may be issued and which would, as a first mortgage, have a prior claim on the earnings of the building.

Brazilian at 52

Will you advise regarding two or three common stocks?

Do you think the new Brazilian at 52 a good purchase?

What about Nickel now that it is down?

Would you think it wise to buy Perfection Glass?

Could I secure shares in Orange Crush, of which I read in The Financial Post a few weeks ago?

The common stock of Brazilian Traction, Light and Power Co. is an attractive, long hold, speculative investment.

International Nickel at current market prices is somewhat attractive for a long hold, although the fluctuations in this stock are somewhat discouraging, especially to buyers on slim margin.

Perfection Glass has not the attraction, in our opinion, that either of the two stocks already mentioned possesses.

Orange Crush is speculative in our opinion.

We believe that anyone who is patient would have a satisfactory experience with City Diary, Montreal Power and Shawinigan.

International Pete

I have read with interest your remarks re International Petroleum, but would like to ask just what time you mean when you say a long term hold.

I purchased 25 shares of this at 36⅞, and was wondering if you would kindly advise me as to how long I should hold this to get a fairly good return on my investment. Do you consider this a good holding for a business woman. Also, have you any idea as to what the future holds for this stock and what you advise I should hold it for.

We think that International Petroleum should be a satisfactory investment if held for from one to five years.

It is a speculative investment and is no more unsuitable for a business woman than for a business man if the business woman is in position to watch the course of events in the stock markets and is prepared to take the same chances as the business man will take.

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TARIFF CHANGE NOT BOTHERING COTTON PEOPLE

Some Ambiguities Exist, But Investor Need Fear Little

From Our Own Correspondent

MONTREAL. — Canadian cotton manufacturers are still waiting for further light from Ottawa before committing themselves in regard to the recent tariff changes. Various memoranda have been addressed to Hon. J. A. Robb asking for an interpretation of many clauses that are considered ambiguous. This ambiguity arises chiefly from the complete reclassification of the textile tariff schedule which was a feature of the changes announced in the new budget.

Once these ambiguities are cleared up, it is generally thought that the new classification will be beneficial to the industry as a whole, as the reclassification is on a much more logical and clear-cut basis than the old haphazard tariff which resembled a patch-work quilt.

The reclassification provides that henceforth there shall be five distinct and separate textile sections as follows: 1. cottons; 2. wools; 3. silks; 4. artificial silk; 5. flax, hemp, jute and allied products. In addition to this re-classification, a great number of obsolete and hampering clauses and words have been housecleaned from the tariff schedules.

Restrictions on Preference

The most favorable clause in the budget according to some cotton men is the clause which alters the restrictions regarding the exercise of the British Preference. According to the new rule any goods which are to qualify under the British Preference schedule must be of 50 per cent. Empire manufacture. Previously goods which were handled to the extent of 25 per cent. within the Empire were eligible for the preference.

The reason that this is considered favorable is that under the old rule, large quantities of goods that were largely made in Czecho-Slovakia, France, Germany and other foreign countries have been coming into Canada under the British preferential tariff because a few processes took place "en route" in England. Under the new ruling, Canadian manufacturers are of the opinion that this class of import will no longer be eligible for the preference.

Outside these two rather general changes, the next outstanding change is that predicted by The Financial Post on February 10, which provided for a lowering of the duty on the finer counts of cotton yarns, and an increase of the duty on the coarser counts. As yet it is considered too early to predict what effect this change will have upon the Candian manufacturer, but the feeling is that as far as profits are concerned, the investors in the four large cotton companies have little to fear in the way of lower profits.

Chain Store Shares Being Offered at $33

From Our Own Correspondent

MONTREAL.—An offering of 30,000 shares of class A common stock of the National Food Products Corporation is being made by the investment house of Williams, Partridge and Rapley.

The company is heavily interested in dairy and chain store companies dealing in food products. It holds the securities of operating companies with more than 3,500 stores scattered over the eastern sections of the United States. In addition, a substantial stock interest is held in a number of large dairy corporations serving important territories.

The company has no funded debt and no preferred stock. Dividends on the A stock of $2.50 per share have been paid since its organization two years ago. The A stock participates with the B to the extent of an additional $1 per share. On completion of the present financing there will be outstanding 75,000 shares of class A stock and 150,000 shares of class B. The class A stock is offered at $33 a share to which are attached class B purchase warrants which may be exercised at $10 a share up to August, 1932; at $15 a share to August, 1937; and at $20 per share up to July, 1942.

VIAU BISCUIT CO. REPORT INDICATES REAL COMPETITION

Net Profits Materially Lower Than in Initial Year

From Our Own Correspondent

MONTREAL.—Despite the fact that the annual report of the Viau Biscuit Corporation covered a 13-month period in 1926, the report for the 1927 year appears to indicate the conditions in the biscuit business are anything but satisfactory. No doubt, there has been competition between the companies during the past year.

The following is a comparison of income accounts and working capital position of the Viau Biscuit Corporation at the close of its first two years operations.

	1927	1926 (13 months)
Net earnings	$189,650	$192,460
Interest	45,522	45,105
Depreciation	30,000	35,000
Bad debts	10,000	7,000
Loss on sale of assets	3,294	......
Writ. off inventories	26,887	......
Net profits	74,447	105,355
Preferred divs.	70,000	70,000
Common divs.	......	32,900
Surplus	4,447	2,455
Adj. for prior period	4,647	......
Balance	*200	2,455
Prev. balance	2,455	......
P. & L. balance	2,255	2,455

* Debit.

Working Capital Position:

	1927	1926
Current assets	$599,528	$607,799
Current liabilities	281,379	266,302
Net working capital	318,149	341,488

The balance sheet of the company shows a decline in cash, bills receivable and inventory. There was, however, a material increase in the accounts receivable.

The bank loan has increased from $120,000 last year to $145,000. The outstanding bonds have been decreased from $467,700 to $406,000. Reserves are up from $48,172 to $88,172.

In his remarks to the shareholders, Hon. J. L. Perron, the president, said in part:

"Close attention is being given to manufacturing and other assets, but the full benefit of savings made to date are not fully realized in the 1927 report, but will accrue to the company in 1928. The year 1928 has opened well. Orders are coming in in good volume. Both plants are being operated and if sales are maintained on the present scale a further satisfactory increase in earnings should be shown for 1928."

Technical "Ad-Man"

C. G. WEISS,

has joined the Norris-Patterson Advertising Agency to direct the technical division of the firm's Montreal office. The agency has initiated a technical division in order that technical subjects may be handled by men with a knowledge of technical businesses or industries. Through his experience, Mr. Weiss is well equipped to handle publicity of this character.

B.A. AND WESTERN BOTH SHOW GAINS

Two Old Fire Companies Have Paid Out $162,000,000 in Claims

The year 1927 has been a prosperous one for the Western Assurance Company and British America Assurance Company, judging by the figures presented in their reports.

The assets of the Western Assurance Company increased during the year by $959,452 to $8,403,457, and those of the British America Assurance Company by $970,370 to $5,346,088. The policyholders' surplus of the "Western," calculated upon the Dominion Government's standard of reserve, increased by $476,318, adding to which the dividends paid to shareholders of $201,000, make a total operating profit for the year of $677,318. The surplus, (including paid up capital) now stands at $2,991,183. The surplus of the "British America" increased by $532,751 now stands at $1,813,197; adding dividends paid of $75,000 bring the operating profit to $607,751.

Both companies maintain assets in very liquid form, the cash account alone being $1,163,826, in the case of the "Western" and $808,198 for the "British America." Securities form the bulk of the remaining assets, and consist of high grade bonds and stocks.

It is noted that the "Western" has since its incorporation in 1851 paid to its policy holders claims exceeding one hundred millions of dollars, and the "British America," since 1833, over sixty-two millions of dollars.

Investors Should Analyze Their Security Holdings

Constantly changing economic conditions affect all securities. Not only does the status of individual corporations change, but the whole economic background, against which all investment values are reflected, is subject to change.

For this reason, even though general conditions may be good, the investor should analyze all his securities from time to time. By making careful selections, based on an intelligent understanding of these economic changes, he can often greatly enhance his estate by disposing of some securities and purchasing others.

It must be remembered that the purpose of investment is to maintain or increase the capital fund. Therefore, the investor should have no sentimental interest in holding one security or another, and no reluctance about changing from one type of investment to another.

Foundations Are Started for Richmond-Bay Bldg.

Excavation for the new Richmond-Bay Building has been completed and the foundations for this modern 20-storey office structure are being placed. One of the outstanding features of Toronto's rapid downtown development in the past three or four years has been the remarkable activity in Bay Street property. That street has established itself as the leading thoroughfare in Toronto's financial district.

The first mortgage bonds of Richmond-Bay Co. are now selling at a slight premium over the issue price of par.

Canadian Fairbanks-Morse Pays Dividend Arrears

From Our Own Correspondent

MONTREAL.—The Canadian Fairbanks-Morse Company has declared a special 3 per cent. dividend on its preferred stock payable March 15. The special disbursement goes to reduce the arrears on the preferred stock. The company recommended dividend payments on its shares a little less than a year ago when the stock was 18 per cent. in arrears. The annual report for 1927 will be forthcoming shortly. It is expected to show a substantial gain in their profits over 1926.

PEACE BRIDGE BREWERY

At the behest of a group of shareholders a court injunction has been secured restraining Col. John A. Currie, president of Peace Bridge brewery, from calling a meeting of the company.

STANFORD'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of 25 cents a Share for the three months ending February 29th, 1928 (being at the rate of $1.00 a share per annum), has been declared on the Common Shares of the Company, and will be payable on and after the 15th day of March, 1928, to the Shareholders of record at the close of business on the 29th day of February, 1928.

By Order of the Board,
J. G. RENAUD,
Secretary-Treasurer.
Montreal, February 23rd, 1928.

NOTICE

Adjourned Auction Sale of the Imperial Steel Corporation Plant, Collingwood, Ontario, Will be held on March 5th, at 1.30 o'clock in the Court Room, Collingwood.

The original notice of auction sale appeared in this paper on January 27, 1928.

Findlay & Findlay, Auctioneers

Howard Smith Paper Mills LIMITED

Dividend Notice on Preferred Stock

Notice is hereby given that a dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 31st day of March, 1928, payable on the 10th day of April, 1928, to Shareholders of record at the close of business on the 31st day of March, 1928.

By order of the Board.
E. HOWARD SMITH, Jr.,
Secretary.
Montreal, P.Q., February 28, 1928.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY Limited has been declared for the quarter ending March 31st, 1928, payable 2nd April, to shareholders of record March 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, February 15th, 1928.

Can. Power & Paper Needs No Financing

From Our Own Correspondent

MONTREAL.—The Financial Post is told that there is no truth in the rumor that Canada Power and Paper Co. will shortly offer a goodly-sized block of 5½ per cent. debentures in Canada and the United States.

Canada Power and Paper was a straight merger of the St. Maurice Valley Corporation and the Laurentide Company; there has been no public offering since the amalgamation took place. In view of the situation that surrounds these two companies, there seems to be no reason for any public offering, certainly not at the present time, as no immediate large expansion is in view.

Stanford's Would Open Another Store in Montreal

Opening up of another store in the western part of Montreal, is now being considered by Stanford's Ltd. The board of directors already have in mind a suitable site.

The policy of the board is to add still further to the number of stores, in view of the fact that this can be done without increasing the general administrative personnel, nor materially increasing the overhead expense.

Preferred stock of this company, currently selling on the Toronto Stock Exchange at about 96½, has been in good demand. The common has also come in for attention, now being quoted at about 24.

Holt-Renfrew Action?

From Our Own Correspondent

MONTREAL.—The improving position of Holt-Renfrew has been thought by some investors to foreshadow important developments in the company. While the management has made no announcement, yet the better business which the company enjoyed last year might possibly lead to some further disbursements to the shareholders.

The Northern Mexico Power & Development Company, Limited

Notice is hereby given that a dividend of ONE and THREE-QUARTERS (1¾) per cent. has this day been declared on the Preferred Stock of The Northern Mexico Power & Development Company, Limited, for quarter ending March 31st, 1928, payable April 2nd next, to shareholders of record at the close of business on the 15th day of March, 1928.

A dividend of ONE (1) per cent. on the Common Stock of The Northern Mexico Power & Development Company, Limited, has this day been declared payable April 2nd next, to shareholders of record at the close of business on the 15th day of March, 1928

By Order,
T. A. SPOOR,
Secretary.

Tenders for County of Carleton Debentures

Sealed tenders addressed to the undersigned will be received up to 12 o'clock, noon, Wednesday, March 7th, 1928, for the purchase of the following blocks of debentures, bearing 5 per cent. interest with coupons attached.

$61,180.00 payable in 5 equal annual instalments of principal and interest.

$39,750.00 payable in 10 equal annual instalments of principal and interest.

$22,280.00 payable in 15 equal annual instalments of principal and interest.

All tenders to be made "OTTAWA FUNDS."

The highest or any tender not necessarily accepted.

HENRY R. WASHINGTON,
Clerk and Treasurer.

Office Executive Available

Man of wide business experience open for engagement as Office or Branch Manager or for other executve position in Toronto. Many years Secretary-Treasurer of two important companies, but resigned to enter a business which may shortly cease operations. Best of references. Apply Box 170, The Financial Post, 153 University Avenue, Toronto, Ontario.

St. Maurice Valley Corporation

DIVIDEND NOTICE

Notice is hereby given that a dividend of 1¾% for the three months ending March 31st, 1928, being at the rate of 7% per annum on the paid-up Preferred Stock of this Corporation, has been declared and that same will be paid on the second day of April, 1928, to shareholders of record at the close of business March 15th, 1928.

By Order of the Board,
G. WILFRED HODGSON,
Secretary-Treasurer.
Montreal, February 22nd, 1928.

Chartered Accountant, nine years experience, is open to accept executive position with industrial or financial firm. Apply Box 172, The Financial Post, 153 University Ave., Toronto.

The Ontario Loan and Debenture Co.

163rd DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 PER CENT. for the current quarter ending 31st March, 1928 (being at the rate of 12 per cent. per annum) has been declared on the paid-up capital stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 2nd April, 1928, to Shareholders of record of the 15th March, 1928.

By Order of the Board,
T. H. MAIN, Manager.
London, Canada, 28th February, 1928.

Montreal Tramways Company

ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of the Montreal Tramways Company will be held at the Company's Offices, Tramways Building, 78 Craig Street West, Montreal, at 12 o'clock noon, on Thursday, the 29th day of March, 1928, for the reception of the Report for the fiscal year ended December 31st, 1927, Election of Directors, and the transaction of such other business as may legally come before said meeting.

The Transfer Books will be closed from the 9th to the 28th day of March, both days inclusive.

By order of the Board.
PATRICK DUBEE,
Secretary.
Febru ry 20th, 1928.

HIRAM WALKER-GOODERHAM & WORTS LIMITED

formerly

HIRAM WALKER'S LIMITED

Notice is hereby given that a dividend of fifty cents per share has been declared on the no par value stock of the Company. The above dividend is payable March 15, 1928, to shareholders of record at the close of business on the 29th day of February, 1928.

Share Warrant holders will present coupons Serial No. 2 to The Bank of Toronto, King and Bay Streets, Toronto, or to The Bank of Toronto, Walkerville, Ontario, on or after March 15, 1928.

By Order of the Board,
FLETCHER RUARK,
Secretary and Treasurer.
Dated at Walkerville,
February 27, 1928.

NOTICE

PORT ALFRED PULP & PAPER CORPORATION

Notice is hereby given that a quarterly dividend of 1¾% (being at the rate of 7% per annum) on the 7% Cumulative Preferred Stock of this Corporation, for the quarter ending March 15th, 1928, will be payable on that date to Shareholders of record March 1st, 1928.

By Order of the Board.
A. WAGNER,
Secretary.
Montreal, Feb. 21st, 1928.

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF DIVIDEND

A dividend of two per cent. (2%) has been declared payable on the 14th April, 1928, to shareholders of record at the close of business on the 23rd March, 1928.

W. H. BLACK,
Secretary-Treasurer.
Montreal, 22nd February, 1928.

DIVIDEND No. 11

The Keeley Silver Mines, Limited

(No Personal Liability)

Notice is hereby given that a dividend of 4% has been declared payable on March 15th, 1928, to shareholders of record at the close of business March 1st, 1928. The transfer books of the Company will be closed from March 2nd to 15th, both dates inclusive.

By order of the Board.
A. L. BURGESS,
Secretary.
Toronto, Feb. 24, 1928.

The Steel Company of Canada, Limited

Preference Dividend No. 67

Notice is hereby given that a dividend of one and three-quarters per cent. on the issued and fully paid Preference Shares of the Company has been declared for the quarter ending March 31st, 1928.

Ordinary Dividend No. 45

Notice is also given that a dividend of one and three-quarters per cent. on the issued and fully paid Ordinary Shares of the Company has been declared for the quarter ending March 31st, 1928.

The above dividends are payable May 1st, 1928, to shareholders of record at the close of business April 7th, 1928.

By order of the Board,
H. S. ALEXANDER,
Hamilton, Ontario, Secretary.
February 23rd, 1928.

Canada Cement Company Limited Preference Shareholders

DIVIDEND No. 1

Notice is hereby given that a dividend of 1⅝% for the three months ending February 29th, 1928, being at the rate of 6½% per annum on the paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 31st day of March next to Preference Shareholders of record at the close of business February 29th, 1928.

H. L. DOBLE,
Secretary.
Montreal, February 21st, 1928.

SUN LIFE ASSURANCE COMPANY OF CANADA

Head Office: Montreal
Stock Transfer Department

Notice is hereby given that the Stock Transfer books of the Company will be closed from the 17th to the 31st of March, both dates inclusive, for the preparation of the dividend to become due and payable on the 1st day of April, 1928, to shareholders of record at the close of business on March 16th, 1928.

By Order of the Board,
H. W. K. HALE,
Secretary.

Belgo Canadian Paper Company, Limited

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared for the quarter ending March 31st, 1928:

Dividend No. 19 on the Preferred Stock: One and three-quarters per cent. (1¾%) payable on the second day of April, 1928, to Shareholders of record of the 1st day of March, 1928;

Dividend No. 14 on the common stock: One and a half per cent. (1½%) payable on the tenth day of April, 1928, to Shareholders of record of the 31st day of March, 1928.

By Order of the Board,
G. WILFRED HODGSON,
Secretary-Treasurer.
Montreal, February 22, 1928.

Organizing Executive Available

An aggressive young man (thirty-three) with a sound knowledge of industry, finance and accounting. A fine past record and at present serving in an executive capacity with a large industrial corporation. Seeks managerial or similar responsible appointment preferably with manufacturing or financial concern.

Address Enquiries To:
**Box M 60
c/o The Financial Post
1070 Bleury St., Montreal**

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1928, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 2nd day of April, 1928, to shareholders of record of the 20th March, 1928.

By Order of the Board.
C. A. BOGERT,
General Manager.
23rd February, 1928.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

Used Machinery for Sale

NEW machinery invariably proves the best investment, but there are times when good used equipment can be purchased to advantage.

Whether you wish to buy or sell, the logical place to tell your story is in the paper that guarantees complete coverage of the metal working shops, pulp and paper mills and mines.

Classified Advertisements

2 cents per word—minimum charge $1.00. Display rates on request.

Canadian Machinery and Manufacturing News
153 University Ave., Toronto, 2
Published Fortnightly on Thursdays

No. 7 of a series of advertisements featuring your industrial opportunity in Hull, P.Q.

Aeroplane view of the big Chelsea plant of the Gatineau Power Company.

Gatineau Power Company's

Tremendous Hydro-Power Development

Other Reasons for Your Industrial Success in Hull

Labour is noted for its steadiness. Hull has been without a strike for over 30 years. Over 75 per cent. of the workers own their own homes.

The city's location is central to Canada's most concentrated markets.

Fine transportation facilities are available — the Canadian Pacific Railway's direct trans-Canada route; the Canadian National Railways; water shipments to seaboard and to and from New York State; first class roads for motor and truck traffic.

Fire and police departments give adequate protection. Educational facilities are excellent—including a splendid technical school.

Hull has many fine factory sites for new industries with ample room for expansion. The Hull tax rate is low and a fixed assessment for ten years can be arranged.

Is the Magnet for Hull's Industrial Growth

TODAY the City of Hull, Quebec, presents an unparalleled opportunity for new industries because Hull is the converging point of the great hydro-power developments of the Gatineau Power Company in the Hull district.

At the Chelsea and Farmers' Plants of the Gatineau Power Company there is a present installed operating hydro-electric capacity of 102,000 h.p. and 72,000 h.p. respectively. The Chelsea power house is designed for 5 units of 34,000 h.p. each and the Farmers' for 5 units of 24,000 h.p. each.

At the Paugan Falls development by October 1st, 1928, there will be a present installed capacity of 204,000 h.p.—ultimately to be increased to 272,000 h.p.

This great power capacity of the Gatineau Power Company converges on Hull as the logical center for the inevitable forthcoming industrial expansion — due also to the city's other reasons for industrial success. Quantity power near at hand means low transmission costs and cheap power. Rates vary from $18.00 to $28.00 according to requirements.

Industrialists are invited to investigate to be convinced of their opportunity for profitable production through locating in Hull.

For further information write H. BOULAY, City Clerk, HULL, P.Q.

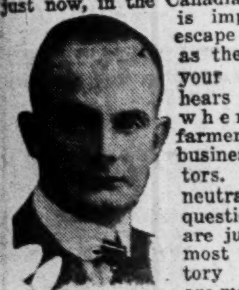
BRING YOUR INDUSTRY TO HULL, QUE.

Key City of a Great Hydro-Power and Industrial District

Western Wheat Pools Born When Government Dropped Post-War Wheat Board

Mr. Drury Tells How Three Pools Are Organized to Serve Farmers — Utilize Central Selling Agency to Dispose of Production of Members

By HON. ERNEST C. DRURY, Former Prime Minister of Ontario



HON. E. C. DRURY

There is one subject from which, just now, in the Canadian West, it is impossible to escape by so much as the length of your nose. One hears it everywhere, from farmers, bankers, business men, editors. No one is neutral on the question, and few are judicial. The most contradictory statements are made, and the most unlikely claims put forward by friend and foe alike. The Grain Pool has gripped the imagination of the West as has nothing else for many a year. And well it may.

A concern which has absolute control, based on enforcible contracts, of about one-half the exportable wheat of Canada, of one-fifth of the total exportable wheat of the world, is noteworthy in the extreme. A business with a turnover of three hundred million dollars, which the pool had last year, is nothing short of stupendous. It is the greatest business enterprise in Canada, one of the greatest in the world. It has great provincial offices, where the individual accounts of thousands of farmers are accurately and efficiently kept. It owns and operates hundreds of country elevators, as well as great terminal elevators at the most important strategic points. It has agencies in nearly every wheat-importing country in the world. It has built up, from an almost negligible deduction on each bushel of wheat handled, tangible assets of some sixteen millions of dollars. And finally, when we stop to consider that all this has been accomplished in the space of four short years, it appears little short of miraculous.

Followed From Wheat Board

The Canadian wheat pools resulted from the experience of the Canada Wheat Board established by the Dominion Government in 1919. This board was in charge of what was practically a Canadian pool, marketing the wheat through one selling agency, and, as the present pool does, making an initial payment, and a final payment after the entire crop was marketed. It so happened that during that year wheat reached unprecedented levels, selling on the basis of $2.63 per bushel, No. 1 Northern at Fort William.

In my opinion there is absolutely nothing to show that this high price resulted from the method of marketing followed. It has been a common experience that the highest price levels have occurred, not during great wars, but immediately after their conclusion. The reasons for this we cannot here consider. If however, any proof were needed that the high wheat prices of 1919 were not the result of the method of marketing followed by the Wheat Board, it can be found in the trend of other prices during the same period. Farm products other than wheat, were not under the control of the board, yet in practically all of them, including live stock products, a price peak, quite as outstanding as that reached by wheat, was attained in the same year, 1919. The peak for manufactured goods was reached, as might be expected, a little later, in March 1920. Obviously these other commodities were not affected in any way by the action of the Wheat Board, or by any method of marketing followed. These facts are conclusive proof that the wheat board of 1919 had little or nothing to do with prices.

Thought Board Responsible

Be that as it may, the idea that the board had been responsible for the high prices, took root and grew. It was strengthened when, almost immediately after the discontinuance of the board in 1920, wheat prices fell like a plummet making finally in December, 1923, the low-water mark of 93 cts., No. 1 Northern, in store Fort William. But again, the facts do not warrant the conclusion, for other products which never had been pooled, suffered a similar decline. During the same period for instance, barley fell from $1.72 per bu. to 53 cts., oats from 72 cts. to 42 cts. and flax from $4.97 to $1.75, all on the same basis, that is, store Fort William. Live-stock too had suffered a similar decline. On the Toronto market for instance, fat steers had fallen from $13.77 per cwt. to $7.52, hogs from $18.98 to $11.72, and lambs from $13.86 to $9.50. Of course, the decline, in all these items, with the exception of wheat, could not have been even remotely connected with the discontinuance of the Wheat Board.

People, however, when once an idea has possessed them, do not stop to analyse it. The cock had crowed and the sun had risen. Canadian wheat had been pooled under the Wheat Board, and prices had been high. At that, the idea was no more fallacious, and not one-half as mischievous as many that have been held for years by Canadian protectionists. The pool idea grew. Demands were made for the re-establishment of a government pool, but without success. The Canadian Council of Agriculture studied the question, but was unable to recommend action. The provincial governments of the three western provinces studied the question at length, but finally balked at the responsibility of naming a board to assume so tremendous a responsibility, a board which, as they themselves stated would "combine all the necessary elements of experience, ability and public confidence."

Decide to Form Own Pool

Failing to secure government action, the summer of 1923 found the various farm organizations of the west engrossed with the question of creating a pool organization of their own. Now, when a state of almost open hostility has developed between the United Grain Growers and the pool, it is worthy of note that one of the first, if not the first practical proposals for the formation of a non-government pool came from the U.G.G., of which T. A. Crerar was and is the head. This proposal was to the effect that a pool should be formed on a contract basis but with the provision that "any farmer could contract himself out of the pool on giving fair notice that he wished to withdraw." The U.G.G. and the Saskatchewan Elevator Co. both of them farmers' companies, were to advance the necessary money for organization expenses.

Following this proposal of the U.G.G., and a month later, came a proposal for a pooling plan for the three provinces, the organization to take the form of a provincial pool in each province, and a central selling agency for all. It is worthy of notice that at this stage, after three years of study and consideration, the farm organization of the west were not united on the principle of the contract, which has since assumed almost the character of a fetish. Alberta, it is true, proposed a five-year irrevocable contract, but Saskatchewan advocated a purely voluntary, non-contract pool, while, as we have seen, the United Grain Growers proposed a contract pool from which the individual farmer might withdraw on due notice being given.

> **First of Four Articles on Western Pools**
>
> This week Mr. Drury begins a series of four highly informative articles on the western wheat pools. They are the high-spots of this series by the former prime minister of Ontario. Mr. Drury is writing for The Financial Post this series of articles on the farm movement in Canada, based on what he saw in Western Canada during a recent trip taken on behalf of this paper. Four articles have already appeared.
>
> Mr. Drury, in these articles, expresses his own views and has not been asked to conform to any editorial views of The Financial Post.

Aaron Sapiro on the Scene

It was at this stage that Aaron Sapiro entered the picture. There is still some dispute in Alberta as to who should have the credit of bringing him. The important fact is, however, that he came, bringing with him his well-known persuasive eloquence, and the reputation he had earned through organizing the co-operatives of California. Mr. Sapiro not only aroused the enthusiasm of farmers for a pool, but he enlisted the sympathy of townsfolk and business interests, and secured their active co-operation. Further, he was the deciding factor in determining the character of the pool. From this on, we hear no more of the voluntary pool, or of one from which contract-signers might withdraw on notice. Mr. Sapiro has always been an advocate of the irrevocable contract-system. There is scarcely room for doubt that it was his influence which finally fixed on the western pools this form of contract.

It was a bad time of the year—the beginning of harvest—to begin organization, but such was the enthusiasm aroused that the drive for signatures was begun at once, in Alberta and Saskatchewan, Manitoba deciding to wait till the next year. Saskatchewan, however, did not complete its sign-up or start to operate till 1924. Alberta completed its organization and commenced operations on October 29, 1923. Again the U.G.G., Mr. Crerar's company, proved itself the Good Samaritan, arranging to handle pool wheat through its elevators, securing a seat on the grain exchange for the newly formed body, and advancing $10,000, to be later repaid, for organization expenses. This generosity, by the way, was later repeated in Manitoba, and earned the thanks of the newly-formed pool in that province.

Form Central Selling Agency

In 1924, the organization was completed in Manitoba and Saskatchewan, the Central Selling Agency was established, and the pools took their present form: three independent provincial organizations which look after contracts, collect the wheat, arrange for local elevator accommodation, and keep the pool accounts with the individual farmers, and a Central Selling Agency, incorporated as the Canadian Wheat Producers Limited, which receives the wheat from the provincial pools and sells it in the markets of the world.

Without going into details, for which we have not space, it may be said that the provincial pools are so constituted as to give to their members, the contract-signers, the utmost democratic control over them, always having in mind the difficulties in this direction which arise when great numbers of people are involved. The directors are elected annually and they in their turn elect three of their number from each province who constitute the board of the Central Selling Agency, also elected yearly. Under the system followed it would be next to impossible for a board of directors, either of the provincial pools or the agency to escape removal at the end of the year, if by mismanagement or dereliction to duty they deserved it. Therein lies one great factor of safety for the pools.

In the next article I shall examine the question: "Do the pools help the western farmer to get an increased price for his grain?"

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

MORTGAGE OF N. S. HAS RECORD PROFIT

Percentage of Gain Increases Along With Paid-up Capital

Mortgage Corporation of Nova Scotia in 1927 had net profits of $55,750, after writing off $2,500 from real estate and all expenses. This is 8.2 per cent. on the capital of $680,000, compared with profits of $48,505, or 7.7 per cent. on the paid-up capital of $677,850 a year ago. The dividend continues at 6 per cent. as for many years.

In the course of the year, mortgages on real estate increased from $1,274,195 to $1,345,610 and gross assets grew from $1,693,398 to $1,790,098. The reserve fund has been increased by $16,000 to $216,000. The contingent fund remains at $2,000.

The following table shows the progress of the company since 1913:

Year	Paid up Capital	Profits	Rate of Earnings Earned %	Dividend
1913 ...	$305,503	$21,022	9.0	6
1914 ...	331,130	24,151	8.6	6
1915 ...	350,254	27,824	9.0	6
1916 ...	384,310	29,611	9.0	6
1917 ...	453,276	31,843	7.8	6
1918 ...	499,146	38,843	8.4	6
1919 ...	507,654	43,875	9.1	6
1920 ...	513,541	39,017	7.9	6
1921 ...	521,192	39,756	7.9	6
1922 ...	552,670	40,281	8.0	6
1923 ...	562,944	42,696	7.9	6
1924 ...	593,454	43,779	7.7	6
1925 ...	620,884	50,047	8.3	6
1926 ...	677,850	48,505	7.7	6
1927 ...	680,000	56,750	8.3	6

Five Districts Supply Three-Fourths Alberta Coal Output

Almost three-fourths of Alberta's total output is derived from the mines of five coal mining districts; in order of production these are Crowsnest; Drumheller; Mountain Park; Lethbridge and Edmonton. Crowsnest and Mountain Park are classed as bituminous; Drumheller, Lethbridge and Edmonton coal as lignite.

Profit Slightly Higher For Winnipeg Trustee

An increase in gross assets, in estates, trusts, and agency accounts, and in other branches of the business is noted in the annual report of the Winnipeg Trustee Company. The company in 1927 had profits of $6,219 after all expenses and deductions, or approximately the same amount as in the previous year. This is about 4 per cent. on the paid-up capital of $153,478 and the directors continued the payment of 4 per cent. dividends.

Gross assets of the company now total $4,022,895, compared with $3,942,006 a year ago. Estates, trusts and agency accounts have grown to $3,594,548 from $3,524,548. It is stated that the real estate situation in the West is at last showing signs of improvement and that the company may be expected substantially to benefit from this.

Following is the record of the company from 1921:

Year	Paid up Capital	Profits	Rate of Earnings Earned %	Dividend
1921 ...	$144,279	$10,418	7.2	6
1922 ...	146,762	9,416	6.7	6
1923 ...	149,356	8,704	5.8	5
1924 ...	151,777	6,218	4.1	.
1925 ...	151,777	2,788	1.8	.
1926 ...	151,777	5,928	3.9	4
1927 ...	153,478	6,219	4.0	4

Established 1889
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Trustee in Bankruptcy Proceedings
Offices: McKinnon Bldg., Toronto

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FRANK J. SMITH, *Manager Montreal Office*
Telephone: HArbour 5282

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NOW IN COLOR

Keeping step with the times, The Dictaphone now presents its New Model 10 in a range of pleasing colors. The Dictaphone is thus the first standard office appliance to adopt a complete range of color finishes

On the Business Man's Desk

A DICTAPHONE *in color* on a business man's desk invites him, even more insistently than the standard black enamel Dictaphone, to use it more and more as an integral part of his method of directing his entire business. He finds, more than ever, that his Dictaphone is an *idea saver, telephone recorder, mistake preventer, conference eliminator, time conserver,* and *work organizer*—all these in addition to the only function he had once attributed to it, namely that of dictation of letters.

THE DICTAPHONE
(*New Model 10*)
is now available in a full range of colors, developed in DUCO permanent lacquer finishes:
DICTAPHONE MAROON
DICTAPHONE BEIGE
DICTAPHONE GREEN
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and double your ability to get things done
DICTAPHONE SALES CORPORATION, Ltd.
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Corporate Office, Montreal, Que.
General Office, Paris, Ont.

MILLS AT

Paris, Ont. Brantford, Ont. Waterford, Ont. Almonte, Ont. Coaticook, Que. London, Ont. St. Hyacinthe, Que.

ANNUAL REPORT

For the Year Ending 31st December, 1927

Submitted at the Twenty-Second Annual Meeting Held on the Fifth Day of March, 1928

PROFIT AND LOSS ACCOUNT

For the Year ending 31st December, 1927

Gross Trading Profits for year ending 31st Dec., 1927..			$ 720,571.10
DEDUCT			
Interest on Bonds		$110,000.00	
Reserve for Depreciation on Plant		100,000.00	
Reserve for Income Tax		35,000.00	
Bad Debts written off		26,257.38	
			$ 271,257.38
Net Earnings for the year 1927			$449,313.72
DISBURSEMENTS			
Preferred Dividend 6%		$ 64,500.00	
Common Dividend and Bonus on old shares	$ 86,024		
Common Dividend on new shares	193,554		
		279,578.00	
			$ 344,078.00
Surplus for the year			105,235.72
Brought forward from 31st Dec., 1926			1,434,595.53
Balance at Credit Profit and Loss Account..			$1,539,831.25

GENERAL STATEMENT

As at 31st December, 1927

ASSETS

FIXED		
Comprising Real Estate, Buildings, Plant, Dwelling Houses, Water Powers, etc.—Less Depreciation		$4,331,663.18
Goodwill, Trade Marks, etc.		1.00
CURRENT		
Cash on hand and in Bank	$ 76,909.64	
Accounts Receivable	978,138.09	
Bills Receivable	10,980.99	
Deferred Charges	20,942.91	
Inventory of Raw and Manufactured Stock	2,373,616.83	
Investments	10,050.00	
Total Current Assets		$3,470,638.46
		$7,802,302.64

LIABILITIES

CAPITAL STOCK		
Authorized:		
15,000 shares Preferred Stock, of $100 each	$1,500,000.00	
75,000 shares Common Stock, of no par value	....	
Issued:		
10,750 shares Preferred Stock	1,075,000.00	
64,518 shares Common Stock, of no par value	2,150,600.00	
		$3,225,600.00
5½% FIRST MORTGAGE SINKING FUND BONDS, DUE 1st NOV., 1951..	2,000,000.00	
Less Redeemed and Cancelled	20,000.00	
		1,980,000.00
Reserve Account		742,046.40
CURRENT LIABILITIES		
Unclaimed Dividends	173.47	
Accounts Payable	206,397.81	
Bills Payable	22,386.33	
Reserve for Income Tax	35,000.00	
Wages	50,867.38	
Total Current Liabilities		314,824.99
Surplus—Balance Profit and Loss Account		1,539,831.25
INDIRECT LIABILITIES		$7,802,302.64

Customers' Paper under Discount, $113,538.83.

C. B. GORDON, President WILLIAM McMASTER, Director.

We certify that we have audited the Books and Accounts of Penmans Limited for the year ended December 31, 1927, and have been furnished with vouchers for all expenditures.

We have obtained all the information and explanations that we have required, and in our opinion the Balance Sheet herewith is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

C. S. SCOTT & CO., Auditors.

Hamilton, February 6th, 1928. per C. A. Scott, F.C.A.

Insurance for Buyer and Seller

COMPENSATION ACT IN QUEBEC MEETS PUBLIC APPROVAL

Provides for Private and Public Carrying of Risks

CLEAR, SIMPLE BASIS

Levies on Employers Will Carry Costs of Maintaining Commission to Handle Benefits

MONTREAL.—Many sighs of relief have been heard from casualty insurance companies within the past few days. The reason of course is in the new compensation bill which has finally made its appearance at Quebec, and which seems to have met with almost whole-hearted approval.

True, the provincial government met a deputation of labor men on Wednesday of this week who voiced their objections to various clauses, but compared with the storm of protest that greeted the last compensation bill in this province, the objections are comparatively minor ones and should be smoothed over without any great difficulty. The outstanding objection from this source had regard to the clause which prohibits a man from obtaining compensation if he is injured when under the influence of liquor. The labor interests fear that this clause will be used unfairly to deprive a man of rightful compensation.

Two Separate Bills

As stated in The Financial Post last week, there are really two compensation bills, both of which have now been brought down and are about to be discussed on the floor of the house. The first bill outlines the various schedules and conditions under which compensation is to operate. The second bill deals solely with duties and powers of the commission which is to be created to handle the new act throughout the province.

The first bill was outlined in considerable detail last week in The Financial Post, and therefore may be dismissed without a great deal of comment. In brief it provides for a new compensation act to come into force on Sept. 1, and will effect very material increases in the benefits to be paid, and in the conditions under which compensation will be dispensed.

May Use Private Companies

Employers will be permitted to carry compensation under any one of three plans: by insuring in regular stock or line companies; by insuring in mutual companies; or by providing their own insurance after depositing certain surety with the department and meeting certain regulations laid down by the government. The act applies to certain definite industries as laid down in the provisions, and for the first time, every workman in these industries is included in the provisions of the act. Previously, only those receiving a salary of $1,500 or less were eligible. Another change (already referred to as being objected to by the labor interests) states that accidents happening while an employee is manifestly drunk give rise to no recourse under the act.

Act Appoints Commission

Perhaps the most novel and interesting features are contained in the second act which is concerned with the commission under which the new act is to be administered. As announced in The Financial Post in December, 1927, the old method of handling compensation through the courts has been done away with, and instead, a commission of three persons, having the powers of the Superior Court, will be solely responsible for the administration of the new act. Not only will the commission handle any disputes that may arise in connection with compensation, but furthermore they have a definite task to perform in "exercising a power of supervision, control and direction over the establishments subjected to the act, with a view to preventing workmen's accidents." Then again the commission is charged with "promoting rehabilitation of injured workmen and taking such measures as it may deem proper to aid in the establishment of such workmen in the province."

Levy Against Insurers

The headquarters of the commission will be at Quebec City. The salaries are to be as follows: the president—$10,000 per year; the two other commissioners, $8,000 per year; the secretary, $5,000 per year. These salaries, as well as those of any other members of the staff that may be appointed, are to be paid by the government. The government will also pay for the office accommodation of the commission. All other expenses are to be distributed as a levy directly against the insurers, which means (as already mentioned) stock and mutual companies, and employers carrying their own insurance. An apportionment will be made each year, the commission having power to enforce its claims in this respect.

As regards authority, the commission is the only authorized body "having jurisdiction to interpret, administer and carry out workmen's compensation under the new act." It is provided that without restriction, it shall have jurisdiction to the exclusion of every other tribunal, and without appeal, in all matters concerned with the awarding of the allowances and compensation provided under the act.

Everything Clear and Simple

One of the most promising features of the new act is the fact that everything is very clearly and simply laid down. Claims should be settled with the minimum of friction and loss of time, which is a splendid thing for all concerned. Furthermore the workman will receive 100 per cent. of the compensation awarded to him as there will be no costs or legal fees to be met and medical and hospital fees, and funeral benefits are provided in addition to compensation. The award of the commission is to be executary against the employer within fifteen days, and against the insurance company within 30 days.

Two Life Companies Add Low-Cost Plan to Profit Policies

Goes to New York

H. W. MANNING, who leaves the North America Life Assurance Company to join the Home Life.

Confederation and Dominion Life Now Writing New Type

EIGHT ARE IN FIELD

Company Which Introduced This New Type of Insurance Policy Gives Its Experience

Two more Canadian life insurance companies have announced new low rates on certain of their participating insurance policies. The two companies are the Confederation Life Insurance Co., and the Dominion Life Assurance of Waterloo.

This makes at least eight Canadian companies who are using this type of policy on their insurance program.

The unique feature about the new policies which are being written by The Confederation Life is the fact that these low-premium participating rates are being applied for the first time to a 20-pay life policy as well as to ordinary life contracts. It is understood that the rate schedule for some ages of the Confederation plans is even lower than any participating rates that have heretofore been announced by a Canadian company.

Not Universal Agreement

Various comments have been passed on this subject of low-premium participating insurance, since the subject was first given publicity through the columns of The Financial Post. On the whole there has been almost unanimous agreement amongst insurance executives that a lower rate on participating insurance could with safety be introduced, although as yet many of the companies still claim that such a move would not be in the best interests of the policyholder.

Perhaps one difficulty in the way of a universal application of these lower with-profit rates, is the fact that for the most part every one in the life insurance transaction is apparently well-pleased with the contract. The policyholder receives fat dividends; seldom realizing, however, that he has been overcharged in order to enable the company to make the distribution. The insurance company shareholder is of course well-satisfied, as under the existing system, his share of profits on a large premium income is very large, and this situation has been largely responsible for sending the price of insurance shares soaring to tremendous heights. And finally the agent is well-pleased to sell insurance on a high premium basis, because his commissions well repay him for his efforts, and in fact to sell the business on any other plan, actually may penalize him as far as earning power is concerned.

Metropolitan Started It

The first company to start this type of policy in Canada was the Metropolitan Life Insurance Co. That was something like nineteen years ago, and their experience since that time has been very satisfactory. In the first place, this company will only sell their low-premium participating policy to a very selected class of clients. The basis of selection has been very rigidly adhered to, with the result that over a period of years the company has built up a super-select class of business that has been tremendously satisfactory, both to the company and to the policyholder.

According to officials of the company, the mortality experience under this plan has been exceptionally good. In spite of a very high mortality ratio to start with, the actual mortality experience has been only 65 per cent. of the expected, which probably means according to ordinary insurance standards that the actual mortality on this class has been between 45 and 55.

Choose First Class Risks

Not only has this selection been rigidly maintained on a health basis, but furthermore, the company has chosen its policyholders from first-class risks, both morally and financially. No one who has been addicted to the use of alcohol can qualify under this plan, and by the simple expedient of practically wiping out commissions on anything less than $5,000 policies, the company has brought under this plan a very good financial type of risk. Taken all in all the company's officials seem exceedingly pleased with the results achieved, and although some of the policies were written at practically non-participating rates, they are now paying a very material and handsome rate of dividend.

Eight Now in Field

As already stated ,there are now at least eight Canadian life insurance companies who are definitely writing one or more of their participating policies on the low-cost premium basis. More companies are known to be considering such a move. On the other hand some of the largest Canadian companies have definitely stated that they are not prepared to make such move unless actually forced to by the demands of competition. Whatever the outcome, the situation is one of the most interesting movements that has appeared in the Canadian life insurance field for many days.

Life Insurance Sales in Canada*

	1923	1924	1925	1926	1927	1928
January	$28,108,000	$30,673,000	$30,838,000	$33,907,000	$36,986,000	$47,569,000
February	25,409,000	30,704,000	28,698,000	34,744,000	35,525,000	....
March	28,142,000	34,383,000	35,001,000	40,483,000	42,883,000	....
April	29,966,000	32,603,000	35,872,000	37,346,000	41,631,000	....
May	29,762,000	33,368,000	34,377,000	37,703,000	44,553,000	....
June	31,865,000	34,295,000	42,307,000	44,634,000	45,298,000	....
July	31,539,000	33,205,000	37,671,000	40,101,000	39,962,000	....
August	31,065,000	27,983,000	31,724,000	36,010,000	38,360,000	....
September	25,979,000	30,029,000	33,543,000	34,878,000	35,000,000	....
October	33,470,000	32,483,000	36,259,000	40,226,000	48,104,000	....
November	34,165,000	34,357,000	36,760,000	44,251,000	44,935,000	....
December	37,377,000	37,120,000	41,822,000	46,777,000	48,899,000	....

Total, 1928, one month $47,569,000
Total, 1927, one month 36,986,000

Increase 29% $10,583,000

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Manning Goes to New York to Join Home Life Staff

H. W. Manning, who, for some years has been associated with the North American Life Assurance Company in various head office and field executive positions, has joined the Home Life Insurance Company of New York City as Assistant Supervisor of Agencies. Mr. Manning, a graduate of the University of Toronto, began his career with North American Life as advertising manager.

During the years he spent with the company, he occupied increasingly important positions and in the capacity of assistant supervisor of agencies formed a wide contact in insurance and financial circles throughout Canada.

On various phases of life insurance, Mr. Manning has been considered an authority, and during the past few years has lectured to the commerce classes at both McGill and Toronto Universities.

Union of Canton Promotions

The following appointments are announced by Colin E. Sword, manager for Canada of the Union Insurance Society of Canton, and its associated companies:

The recent vacancy in the casualty department has been filled by the appointment of Norman J. Ross as casualty manager. Mr. Ross has had many years of insurance and general business experience and has latterly been in charge of the casualty department of the Montreal Branch of the "London and Lancashire."

Wm. T. Bleakley who for some years has been a field man for the group is promoted to the post of superintendent of agencies.

A. H. Meyers who has been associated with the casualty claims department for the past two years is made chief claims supervisor.

In the fire department E. M. Foote has been given the title of fire manager.

Insurance Problems

Insurance questions of general interest submitted by subscribers of THE FINANCIAL POST will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Commercial Life

I think that the Commercial Life Assurance shares at $15 would make an attractive speculative purchase. Do your views coincide with mine?

The purchase of the shares of the Commercial Life Assurance Company of Edmonton should be regarded in the light of a four or five year hold. You would stand every chance at the end of this period of obtaining a satisfactory and substantial appreciation on your investment. The company is ably managed, is making sound progress and should continue to do so in the future. As you say, it should make an excellent speculative buy if you are willing to put the shares away for a long hold.

Resigns as President of Monarch Knitting

F. R. Lalor, owing to continued illness, has retired from the presidency of Monarch Knitting Co., and is succeeded by J. A. Burns, who for many years has been general manager. Mr. Lalor remains on the board of directors with Mr. Burns, T. A. Russell, A. E. Ames and G. C. Biddle. Mr. Russell is vice-president.

The annual meeting of the company was held in Dunnville, February 25th. The report, previously published, showed earnings of $78,045, compared with earnings of $32,651 the year previously.

Work for thousands of men in Western Canada and payrolls running into millions of dollars are indicated in the western building and expansion programme of the Canadian Pacific Railway for the 1928 season.

THE Western Empire Life Assurance Company

HEAD OFFICE
701 Somerset Building
Winnipeg, Man.

Branch Offices:
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CALGARY VANCOUVER

Canadian National Railways

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A STAFF of officers, qualified to give information of the widest possible character, based upon a practical knowledge of the country, is maintained for the convenience of all persons desirous of investigating opportunities in Canada for investment of capital in development of industrial, mining, sylvan industries and water power.

Enquiries Invited

Natural Resources Branch,
C.N.R. General Offices, Montreal, P.Q.

C. Price-Green,
Commissioner.

ALCO-METER SERVICE
tells you exactly how much
MAPLE LEAF ANTI-FREEZE
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Sold at all leading garages, service and filling stations.
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Guarantee, Accident, Automobile, Burglary, Sickness, Plate Glass, Fire.

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FIRE, HAIL and CASUALTY INSURANCE
Of every description effected with leading Insurance Offices.
Our Advisory Service is at your disposal.
OSLER, HAMMOND & NANTON LIMITED
WINNIPEG

THE WINNIPEG TRUSTEE COMPANY
OF CANADA

Annual Report, December 31st, 1927

Company Assets	$ 288,330.60
Guaranteed Accounts	140,016.60
Estates, Trusts and Agency Accounts	3,594,548.52
Total	$4,022,895.72
Company Liabilities	$ 288,330.60
Guaranteed Accounts	140,016.60
Estates, Trusts and Agency Accounts	3,594,548.52
Total	$4,022,895.72

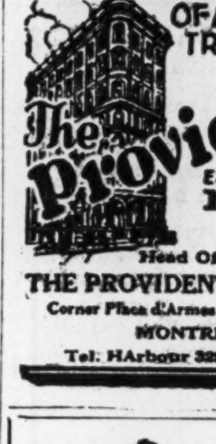
Profit and Loss Account for the Year Ending 31st December, 1927

Balance from 1926	$ 4,367.20
Net profits for the year after deducting expenses of Management, Directors' and Auditors' Fees, Commissions, War Taxes, etc.	6,219.38
	$10,586.58
Less Dividend of 4 per cent. for year ending 31st December, 1927	$ 6,139.14
Balance carried forward to 1928	4,447.44
	$10,586.58

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA—HAMILTON, ONTARIO
Writing Fire Insurance at Cost
Assets $4,026,244.79
ALL POLICIES DIVIDEND-PAYING AND NON-ASSESSABLE
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

Insurance OF ALL KINDS TRANSACTED
The Provident
ESTABLISHED 1905



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ROOMS $2.00 up with bath $3.00
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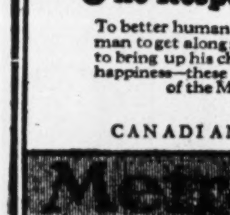

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Provincial Offices:
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The Responsibilites of Leadership—
To better human conditions; to make it easier for the working man to get along; to lenghten his life; to make it possible for him to bring up his children as they should be brought up; to spread happiness—these are the ideals that inspire the the personnel of the METROPOLITAN LIFE, the world's leading financial institution.
CANADIAN HEAD OFFICE — OTTAWA

A Tower of Strength
ASSETS - $400,000,000
Life Assurance in force $1,500,000,000
Dividends to Policyholders increased for eighth successive year.
SUN LIFE ASSURANCE COMPANY
OF CANADA
Head Office: Montreal

YOUR KEY TO HAPPINESS AND PROSPERITY
A guaranteed pension of $100 a month for life commencing at age 55, 60 or 65.
No matter how long you may live you are guaranteed the full monthly pension.
YOUR PRESENT SAVINGS EVEN IF SMALL WILL BUY YOU A PENSION
SEND TO-DAY FOR INTERESTING ILLUSTRATED BOOKLET
CONFEDERATION LIFE ASSOCIATION
Head Office TORONTO
FILL OUT AND MAIL
Please send me booklet "Your Key to Happiness and Prosperity"
Name ....
Address ....

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Fire Insurance at Tariff Rates
Pres.—JAMES STEWART
Vice-Pres.—FRANK O. FOWLER, Ex-Mayor of Winnipeg
Sec.-Treas.—J. H. FACHE
Head Office:
WINNIPEG - MANITOBA

Provincial Paper, Limited

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S. F. DUNCAN, Treasurer
W. S. BARBER, Secretary

Directors:
I. H. WELDON — ALEX. FASKEN
T. A. WELDON — R. S. WALDIE
S. F. DUNCAN — A. F. WHITE
E. R. WOOD

Stock Transfer Agents:
ROYAL TRUST COMPANY
Toronto and Montreal

Bankers:
STANDARD BANK OF CANADA
Toronto

Balance Sheet as at December 31st, 1927

ASSETS:		
Property and Plant:		
Real Estate, Buildings, Equipment, etc.		$ 8,587,926.97
Current Assets:		
Cash on Hand and in Banks	$ 244,514.46	
Bills Receivable	39,719.33	
Accounts Receivable, Less Reserve for Doubtful Accounts	687,654.72	
Inventories — Paper, Stock, Supplies, Prepaid Charges and Pulpwood, including advances on 1928 Operations	1,333,584.55	2,305,473.06
Other Assets:		
Government Deposit on Timber Limits	$ 107,749.61	
Investments	328,348.01	436,097.62
		$11,329,497.65
LIABILITIES:		
Capital Stock:		
Preferred — Authorized and Issued, 35,000 shares of $100.00 each		$ 3,500,000.00
Common — Authorized and Issued, 100,000 shares of No Par Value		100,000.00
Mortgage Debt:		
Bonds, 20 Year, 5½%, Due 1947 Authorized — $10,000,000.00 Issued		5,300,000.00
Current Liabilities:		
Bank Loans (secured)		100,000.00
Accounts Payable, Accrued Charges and Reserve for Income Tax payable 1928	$ 462,904.20	
Dividend Payable January 2nd, 1928, Preferred 1¾%, Regular	61,250.00	524,154.20
Other Liabilities:		
Reserve for Depreciation of Plant and Buildings		300,000.00
General Reserve		1,432,415.88
Surplus: December 31st, 1927		72,927.57
		$11,329,497.65

Contingent Liability for Bills Receivable under Discount $35,245.00

Audited, Verified and Reported Upon,
(Signed) P. S. ROSS & SON,
Chartered Accountants.
Toronto, Ont., 11th February, 1928.

INCOME ACCOUNT
For Eight Months Ending December 31st, 1927

Manufacturing Profit for Eight Months	$ 770,923.03	
Sundry Revenue	3,200.00	$ 774,123.03
Less Interest on Bonds, Bank Loans, etc.		202,862.13
		$571,260.90
Reserve for Depreciation of Buildings and Plant	$ 300,000.00	
Added to Reserve for Doubtful Accounts	10,000.00	
Added to Reserve for Income Tax Payable in 1928	25,000.00	335,000.00
		$236,260.90
Dividend on Preferred Stock, Regular being 7% per Annum		163,333.33
SURPLUS: December 31st, 1927		$ 72,927.57

Audited and Verified,
(Signed) P. S. ROSS & SONS,
Chartered Accountants.
Toronto, Ont., 11th February, 1928.

Current Events in Banking World

Trans-Pacific Trade Opens Great Future to Canadian Exports

Bank of Montreal Official Has Wide, Optimistic Views Regarding Dominion's Future Commercial Relations with Orient and Antipodes

P. C. Harrison, manager of the San Francisco subsidiary of the Bank of Montreal, has arrived recently in Montreal, on his return from a seven months' tour of Australia and the Orient. He was accompanied on the trip by A. A. Minnion, manager of the Bank's Foreign Department at the head office in Montreal.

The itinerary included New Zealand, Australia, the Dutch East Indies, Malaya, the Strait Settlements, India, China and Japan. The purpose of the tour was to visit the bank's correspondents in these countries, and also the firms with which the bank's customers do business; to set up additional facilities for handling the bank's business abroad; and to investigate the possibilities of developing a greater interchange of trade between Canada and the countries on the other side of the Pacific Ocean.

A large amount of information was obtained and has been put on file at the head office for the benefit of those who consult with the Bank's Foreign Department.

Possibilities for Canada

Mr. Harrison, in the course of an interview, said he had returned with a conviction of the great possibilities for Canada in the trans-Pacific trade of the future. At present, he said, various circumstances combine to hold trade in the East in check, notably the civil war in China and the financial depression in Japan, the latter largely the aftermath of the earthquake disasters.

As far as the Orient is concerned, however, he was convinced that once a strong government was established in China and stable conditions restored, a flood of pent-up trade would be released in which Canada should share.

"Canada, in this respect, has many advantages," he said. "First among these, perhaps, is the fact that Canada is well known on the other side of the Pacific, and holds a reputation for business integrity comparable with that of Great Britain, whose good name is a household word throughout the East. Then, again, Canada has unsurpassed shipping facilities and lastly, it has splendid trade representatives in the able and energetic men stationed in all the trade centres in the interests of the Trade and Commerce Department at Ottawa, the Canadian Pacific Railway Company and the Canadian National Railway System. We knew, of course, that Canada was well represented in these respects, but our tour was a revelation of the wide ramifications of Canadian representation and the influence which these representatives exert. We were agreeably surprised, too, to notice what a large business two Canadian insurance companies are building up in the Orient. Their work across the Pacific, alike with the work of the Trade and Commerce Department, and the two great railway systems, is a high tribute to Canadian enterprise.

Hong Kong and Shanghai

"A feature of the disturbed conditions in China is that whereas formerly Hong Kong and Shanghai were the two great distributing ports for China, the northern ports of Tientsin, Dairen and Harbin have been trading direct abroad in commodities which formerly passed through Shanghai, and the diversion of the portion of the trade now commanded by the northern ports is likely to be permanent. Trade is dull in Shanghai at present, but has improved in Hong Kong slightly since Canton expelled the Reds.

"Malaya and the Strait Settlements are almost entirely occupied with the production of rubber, and have been prosperous as a result. Due to the control in the exportation of rubber now in force, the people are returning to some extent to their former pursuits in the production of copra, pineapples, spices and other tropical commodities. Taken generally, their trade is growing.

"In the Dutch Indies, which have a population in excess of 50,000,000, most of which is concentrated in Java, there is a distinct tendency on the part of the people to enlarge their trade with other countries on the Pacific. They did well during the war, and as a consequence their standard of living has been raised, and they are showing greater enterprise and initiative than formerly. There is a large potential trade with these islands.

"New Zealand we found to be in good shape financially, and with not only a strong inclination, but with a real determination, to trade within the Empire. There is a strong feeling in favor of developing trade with Canada.

Possibilities in Australia

"Australia is undoubtedly a country with wonderful possibilities, due to its vast undeveloped resources. The people are very energetic, and although the country is at present burdened with vexatious legislation, we could not escape the conviction that it has a great future.

"Exporters in Canada should be interested in the fact that we noticed everywhere a marked difference in methods as between Canadian firms and those of England and Germany, and the care in executing orders executed by the latter. The British and German firms give longer terms of credit, pay more careful attention to shipping, packing, documentation and adhere very strictly to sample and order. These are points of much importance, as we found great stress laid upon them and care in these matters will amply repay our Canadian exporters."

Mr. Harrison added that he and Mr. Minnion had traveled some 40,000 miles in visiting these various countries in the interests of the bank, and that they had come back confident that the Bank of Montreal had its facilities in every one of these countries organized in a manner that would not only meet the banking requirements of trans-Pacific trade, but provide helpful assistance in future developments.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities

	Feb. 24, 1927	Feb.23, 1928
Halifax	$ 2,419,918	$ 3,049,803
Saint John	2,378,297	2,614,276
Moncton	798,668	799,440
Quebec	5,751,557	4,393,881
Sherbrooke	798,518	786,422
Montreal	95,786,850	136,557,603
Ottawa	5,616,351	6,552,673
Kingston	653,311	702,993
Peterborough	694,570	837,521
Toronto	107,256,263	141,015,216
Hamilton	4,710,516	5,408,980
Brantford	1,179,097	1,410,158
London	2,775,030	2,846,414
Chatham	726,309	686,664
Kitchener	954,103	1,268,363
Windsor	3,746,463	4,938,778

Western Cities

	Feb. 24, 1927	Feb.23, 1928
Fort William	$ 789,520	$ 833,987
Winnipeg	35,507,622	44,399,146
Brandon	402,735	309,026
Regina	3,212,125	4,342,077
Moose Jaw	1,044,057	1,112,827
Saskatoon	1,458,637	1,862,962
Prince Albert	300,977	370,033
Lethbridge	439,669	608,123
Calgary	7,184,900	12,325,676
Edmonton	3,933,431	5,301,205
Medicine Hat	232,081	432,041
N. Westminster	630,873	672,883
Vancouver	14,683,510	21,539,832
Victoria	1,185,749	1,885,749

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Putting Bank Reports Under the Microscope

Figures Indicate How Banks Rank in Earnings Rate, Volume of Deposits and Other Matters

C. W. Scott, of 13 Admiral Road, Toronto, has again made for The Financial Post some interesting compilations, based upon the returns of the chartered banks of Canada. It will be recalled that these have appeared in The Post each year for some time.

In examining the rate of profit earned on capital, Mr. Scott has uncovered a wide disparity between the highest and the lowest figures. The higher rates of interest earned are a reflection of conservative dividend policies in past years enabling large reserves to be built up. The figures follow:

Rate of Profit on Capital

1.	Bank of Nova Scotia	23.65%
2.	Bank of Toronto	23.30%
3.	Dominion Bank	22.14%
4.	Imperial Bank	19.76%
5.	Standard Bank	19.00%
6.	Bank of Commerce	18.63%
7.	Royal Bank	17.90%
8.	Bank of Montreal	17.71%
9.	Bank Canadienne	16.42%
10.	Provincial Bank	12.70%

When capital, reserve and other shareholders' funds are added together the order in which the banks rank is altered considerably. The Standard Bank ranks very highly on this basis, which is probably an evidence that the action of the bank a few years ago in writing down its reserve, while based upon a desire to allow for any contingency was more drastic than subsequent events have proven necessary. The bank to-day is benefiting from the courage of its officers at that time. These figures follow:

Profit on Capital, Reserve, and Profit and Loss

1.	Standard Bank	11.41%
2.	Bank of Montreal	10.47%
3.	Dominion Bank	9.46%
4.	Bank of Toronto	9.33%
5.	Bank of Commerce	9.02%
6.	Imperial Bank	8.78%
7.	Royal Bank	8.74%
8.	Bank Canadienne	7.98%
9.	Bank of Nova Scotia	7.84%
10.	Provincial Bank	7.50%

The amount of money on deposit in current accounts ranges all the way from $1.56 to each dollar of capital to nearly $7. The aggressive policy of the Royal Bank of Canada in the commercial field is reflected in its leadership in this field. In the savings deposit field, the order is slightly different and the Banque Canadienne National is at the top. These two tables are here given:

Deposits without Interest to $ of Capital

1.	Royal Bank	$6.93
2.	Bank of Commerce	6.09
3.	Bank of Montreal	5.38
4.	Bank of Toronto	4.23
5.	Standard Bank	4.06
6.	Dominion Bank	3.94
7.	Bank of Nova Scotia	3.91
8.	Imperial Bank	3.76
9.	Bank Canadienne	3.74
10.	Provincial Bank	1.56

Deposits with Interest to $ of Capital

1.	Banque Canadienne National	$18.75
2.	Bank of Montreal	18.02
3.	Royal Bank	17.15
4.	Bank of Nova Scotia	16.43
5.	Bank of Toronto	16.02
6.	Bank of Commerce	15.77
7.	Dominion Bank	14.71
8.	Standard Bank	12.96
9.	Imperial Bank	12.15
10.	Provincial Bank	8.50

While the Provincial Bank does not rank highly on some other counts, its liquid position, as displayed by its financial statement, is the best of any of the banks. Of course, it must be remembered that the banks adopt different degrees of conservatism in presenting their balance sheets:

Quick Assets to Liabilities

1.	Provincial Bank	64.00%
2.	Bank of Nova Scotia	63.74%
3.	Imperial Bank	62.60%
4.	Bank of Montreal	58.75%
5.	Royal Bank	57.33%
6.	Dominion Bank	56.90%
7.	Banque Canadienne	56.43%
8.	Bank of Commerce	53.77%
9.	Standard Bank	52.38%
10.	Bank of Toronto	50.00%

In no case has any bank as much as 100 per cent. of its capital represented by its investment in bank premises. Some of the larger banks show less than half of their capital invested in premises, but it may be assumed that the actual value of their bank premises is over the amount of their capital outstanding. For instance, the Royal Bank carries at a nominal sum its equity in a number of large real estate investments where different of its offices are located.

Bank Premises to Capital

1.	Banque Canadienne	96.65%
2.	Dominion Bank	92.19%
3.	Standard Bank	80.23%
4.	Imperial Bank	71.29%
5.	Bank of Nova Scotia	68.36%
6.	Bank of Toronto	66.22%
7.	Bank of Commerce	57.91%
8.	Provincial Bank	48.20%
9.	Royal Bank	45.57%
10.	Bank of Montreal	40.80%

The book value of the shares of the banks has also been worked out by Mr. Scott and in most cases this bears a fairly close relationship to the present market value.

Book Value of Shares

1.	Bank of Nova Scotia	304.79
2.	Bank of Toronto	252.92
3.	Dominion Bank	235.34
4.	Imperial Bank	225.32
5.	Bank of Commerce	207.12
6.	Royal Bank	206.03
7.	Bank of Montreal	203.85
8.	Banque Canadienne	200.70
9.	Standard Bank	168.80
10.	Provincial Bank	145.26

At current market prices the shares yield anywhere from just under 4 per cent. to over 5 per cent.

Investment Yields on Shares

Nova Scotia	16%	$387=4.17%
Montreal	14%	$346=4.07%
Royal	14%	$355=3.94%
Imperial	13%	$248=5.24%
Commerce	13%	$286=4.54%
Dominion	13%	$264=4.92%
Toronto	13%	$295=4.40%
Standard	12%	$245=4.89%
Canadienne	10%	$186=5.37%
Provincial		

Survey Toronto Police Fund

The Toronto police benefit fund will be studied by Pipe & Allen, consulting actuaries, with a view to making suggestions for improvement in the administration of the fund.

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U.S. CO-OPERATION MIGHT AID FISHING ON FRASER RIVER

Commissioner States Help Would Build Up Industry

From Our Own Correspondent

VANCOUVER.—"If we could co-operate with the United States in the matter of gear and seasons the Fraser River could be restored to nearly its former productiveness in sockeye salmon," said Major J. A. Motherwell, federal inspector of fisheries for British Columbia, discussing the fisheries outlook on the coast.

An even more optimistic view is held by J. A. Babcock, assistant commissioner of fisheries in the provincial government, who has made a study of the salmon for thirty years, and has reached the conclusion that international co-operation will not only restore the Fraser to its former condition but will build up an industry worth $30,000,000 annually to the province. At present, the production of fish in all rivers and in the deep sea zones is valued at less than $25,000,000.

The government was compelled to enforce severe restriction of fishing this summer in order to conserve future supply. Had this not been done, according to Major Motherwell, the salmon pack would have been considerably larger than last year, but at the peril of future production.

Nothing Gained by Comparisons

"There is nothing to be gained by comparing pack from year to year," said Major Motherwell. "Salmon run in cycles, so that year-to-year figures mean nothing. Figuring it out on an average of several years, last year's salmon pack is practically average. Only in pinks was there a substantial decline, and it is possible that this was due to deep water conditions and excessive fishing in other parts of the coast."

The real danger to the fisheries resources of the coast is seen in the increase of gear and its growing effectiveness. During the last four years salmon seines have been increased 128 per cent.; salmon trolling outfits, 99 per cent.; salmon gill net outfits, 53 per cent.

Conditions in the Fraser River during the last two years, says Major Motherwell, indicate that fish cultural activities have been successful and that artificial propagation is having an important effect on the supply.

A Fable for Bankers

Unfolded by The American Banker

A business man went to two bankers. He wished to borrow $2,000 from one and $1,000 from the other.

The first banker loaned him $2,000, but was so unpleasant and condescending that the business man thought, "I'll never have any more dealings with that bank so long as I live."

The second bankers refused the loan of $1,000, but did it so graciously, and with so clear an exposition of his reasons, that when the business man left he said to himself, "I'm going to put my affairs in such shape that there will be no earthly reason why this man should not loan to me. I want to do business with him."

The second bankers had learned the art of saying "No."

It is an Art.

January's building permits in the 63 cities of all Canada created a record for that month at $7,753,904 as compared with $5,676,537 in January, 1927.

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FEW HINTS GIVEN TO BRANCH BANKS

Young Managers Should Err on Side of Conservatism, Says Dodds

WINNIPEG.—Conservative banking principles, with special reference to the problems confronting the branch bank managers of western country points, were outlined before the Bankers' Lecture club by Jackson Dodds, assistant general manager of the Bank of Montreal.

Introducing his subject, Mr. Dodds said a great deal had been heard about the difficulties farmers experience in obtaining their requirements from banks. The fact is overlooked, he said, that in order to place a small country branch on a paying basis, it is generally necessary to have all the sound business available, and that the greater the volume the larger the profits. The manager has a strong incentive to make all the advances that can be made with safety, Mr. Dodds added, but his duty to his bank involves also a trust in safeguarding the funds of depositors and shareholders.

Analyze Factors

In a close analysis of the different factors to be considered before making an advance. Mr. Dodds said that three questions arose in logical sequence:

(1) For what purpose is the money required?

(2) Is the applicant entitled to the amount?

(3) When and from what source will repayment come?

In suggesting an answer to his first question, Mr. Dodds said that no confusion must be allowed to creep in regarding the functions of a bank. No bank, he said, should provide long-term loans.

Regarding the question as to whether the applicant for the loan is entitled to the amount he asks for, the speaker said the first factor to be considered was the moral one. The farmer's past experience also helped as a guide. Newcomers without experience were not banking risks, he said, and the idea of banks helping the immigrant who had little capital was not a just one. The necessity of an up-to-date balance sheet being drawn up and of a good liquid position was also stressed by Mr. Dodds.

Repayment, the speaker went on, involved close knowledge of the applicant's position. If the loan were to be repaid from crop, knowledge of what was planted, the kind of soil on the farm, and the method of farming involved were all matters with which the banker should acquaint himself, while the running expenses of the farm and the farmer were important items to bear in mind.

No Hard and Fast Line

In conclusion, Mr. Dodds emphasized the fact that no hard and fast line could be drawn. The business of banking, he said, was not an exact science and never could be. To young managers, his closing words were that error on the side of conservatism was always the right course to follow. He added: "If the manager has any doubt, he should refer the proposed transaction to his superintendent. New managers should be especially cautious. Friendship or what the other bank is said to be doing should not carry any weight; above all, the young manager should never permit himself to be stampeded by an impatient customer. . . . New problems are apt to crop up every day, and a young country manager, thrown upon his own resources, will do well to exercise his measure of discretionary power with care and to draw freely upon his superintendent's wider experience where larger issues are involved."

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MANAGEMENT
The operations of the Company will continue to be conducted under the direct supervision of Messrs. T. H. Thomson, A. Thomson and A. T. Thomson, whose methods and ability have contributed to the success of the Company's business. Mr. T. H. Thomson is under contract to continue to serve the Company as General Manager.
ASSETS
Based upon the Company's Balance Sheet as of 31st December, 1927, as certified by Messrs. P S. Ross & Sons, Chartered Accountants, the assets, after giving effect to the present financing, will be substantially as follows:
Equipment, Furniture and Fixtures .... $ 6,970.24
Net Current Assets 77,931.60
Total $84,901.84
The above Asset figures, which include no provision whatever for goodwill or the valuable leasehold rights which the Company enjoy, represent an equity of $212.25 per share for the preference stock to be issued at the present time.
EARNINGS
The net Earnings of the Company for the year ended 31st December, 1927, amounted to $16,492.34, after provision for all charges including depreciation and Federal Income Tax, which is equal to 5.9 times the preference dividend requirements. It is estimated that with the added facilities which will result from the new financing, the Company will earn nine times the preference dividend requirements during the year ending 31st December, 1928.
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The above statements are based upon information and statistics upon which we are relying in the purchase of these shares. We do not guarantee, but believe them to be correct.

Bank Chat

A branch of the Bank of Nova Scotia has been opened at Glaslyn, Sask.

Hon. McCallum Grant, ex-Lieut.-Governor of Nova Scotia, who was a director of the Bank of Nova Scotia, is dead.

J. C. Moore, manager of the Royal Bank at Roseneath the last eight years, has been transferred to the branch at Scotland, in Brent County.

A former Bank of Commerce branch manager, Leigh T. Pemberton, died a few days ago at his home, 150 Walmer Road, Toronto, in his 59th year.

Fred. H. Boehmer died last week at his home, 15 Samuel Street, Kitchener. Mr. Boehmer was manager of the Royal Bank of Canada in that city.

George W. Swaisland, assistant manager of the Bank of Montreal in Vancouver, has been promoted to the managership of the bank in Windsor, Ontario.

R. H. Cardy has been appointed manager of the main branch of the Bank of Toronto, at King and Bay Streets. He is taking the place of J. S. Skeaff, who has retired.

A. Chisholm Band, for a number of years assistant accountant, city branch Bank of Nova Scotia, Toronto, has joined the agency staff of the Travellers Insurance Co.

A. G. Parker, who has retired from the management of the Bank of Montreal at Ottawa, has left with Mrs. Parker for England and the Continent, where they will remain for the next 15 months.

A branch of the Dominion Bank has been opened at Noranda, Que, with Wm. Coupar as manager, formerly manager at Sprucedale, Ont. He is succeeded in that town by F. A. Burt, manager at Brooklyn, Ont.

C. J. Knox, recently appointed manager of the new branch of the Bank of Toronto, at The Pas, Manitoba, has flown by aeroplane to the Sheritt-Gordon Mine property at Cold Lake in Northern Manitoba, to open the branch of the Bank of Toronto at that point.

R. H. Short, who for the past six years has been manager of the Brantford branch of the Standard Bank of Canada, has received word from the head office of the bank that he is to be promoted to the position of "supervisor of branches from the Toronto headquarters."

C. H. Pennefather, manager of the Walkerville branch of the Royal Bank, died last week following an illness of a week's duration. Mr. Pennefather had been identified with banking in Canada for the past 37 years, having served with the Bank of Montreal, the Union Bank, and the Royal Bank in various Canadian centres.

Opens New Branch

MONTREAL.—Osler and Hammond, members of the Toronto Stock Exchange, the Montreal Stock Exchange, the Montreal Curb Market and associate members of the New York Curb, have opened a Montreal office under the management of Frank J. Smith.

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The Royal Bank of Canada
Head Office, Montreal
Condensed Statement to the Dominion Government
January 31, 1928
LIABILITIES
Capital Paid up .... $ 30,000,000.00
Reserve Fund 30,000,000.00
Undivided Profits 1,809,831.87
Notes in Circulation 37,450,828.94
Deposits 668,351,854.74
Due to Other Banks 28,061,974.78
Bills Payable (Acceptances by London Branch) 3,978,138.46
Letters of Credit outstanding 38,897,473.42
$838,550,100.21
ASSETS
Cash on Hand and in Banks $106,302,320.28
Deposit in the Central Gold Reserves 9,000,000.00
Government and Municipal Securities 128,740,066.41
Railway and other Bonds, Debentures and Stocks 30,018,875.16
Call Loans in Canada 54,790,120.32
Call Loans elsewhere than in Canada 67,342,449.43
$386,193,831.60
Loans and Discounts 395,077,880.70
Liabilities of Customers under Letters of Credit as per contra 38,897,473.42
Bank Premises 13,770,264.57
Real Estate other than Bank Premises 1,948,711.13
Mortgages on Real Estate sold by the Bank 1,361,938.79
Deposit with Dominion Government for Security of Note Circulation 1,300,000.00
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Twenty-Second Annual Report
OTTAWA LIGHT HEAT and POWER COMPANY, LIMITED
Operating
The Ottawa Electric Company and The Ottawa Gas Company
The Revenues from all sources aggregate $1,920,942.74. The Expenses of management, operation and maintenance amount to $1,399,649.74 in which are included all interest charges, Federal, Provincial and Municipal taxes, (excepting Dominion income tax), also the customary provision for bad and doubtful accounts, leaving $521,293.00 as the surplus of Revenue over Expenditure.
Gross Revenue of 1927 exceeds 1926 by $66,559.66
Gross Expenditure of 1927 exceeds 1926 by 33,609.55
Net Surplus of 1927 exceeds 1926 by 32,950.11
Ratio that Net Surplus bears to Capital of $5,000,000 .... 10.42%
The Gross Revenue is materially higher, again demonstrating that we have been able to maintain the earnings in both the Electric and Gas Companies in a satisfactory manner. While there has been an increase in Gross Expenditure, slightly disproportionate with the year previous, this is almost wholly accounted for by the increase in Municipal taxes.
The main features of the balance sheet for the past two years are as follows:

ASSETS	1927	1926
Property, Plant and Equipment	$11,248,006.87	$ 9,656,498.35
Montreal Trust Company, Deposit for Interest on Bonds redeemable March 1, 1928, less accrued interest to December 31, 1927	13,439.12	....
Montreal Trust Deposit for Sinking Fund	....	6,880.28
Merchandise Stores, Supplies, etc.	231,647.82	183,204.54
Accounts and Bills Receivable	463,881.23	467,518.78
Investments (including Bonds of this Company and Subsidiaries purchased in advance for Sinking Fund)	31,336.56	110,936.01
Cash on hand and in Bank	267,384.47	14,137.22
Deferred	444,520.66	218,563.66
	$12,700,216.73	$10,657,738.84

LIABILITIES	1927	1926
Capital Stock (Common)	$ 3,500,000.00	$ 3,500,000.00
Capital Stock (Preferred)	1,500,000.00	1,500,000.00
Bonds	4,000,000.00	2,157,000.00
Accounts Payable and Bills Payable	443,396.53	412,717.13
Dividends declared (payable Jan. 1, 1928)	76,875.00	76,875.00
Capital Reserve	1,500,000.00	1,500,000.00
General Reserve	770,000.00	770,000.00
Reserve for Depreciation	641,500.44	511,500.44
Reserve for Bad and Doubtful Debts	25,022.05	41,971.24
Profit and Loss	243,422.71	187,675.08
	$12,700,216.73	$10,657,738.84

Respectfully submitted,
T. AHEARN,
President.
Ottawa, 21st February, 1928.

The New Trend in Company Ownership
The trend today is toward purchase by many investors of securities of companies formerly owned by individuals or families. Such developments are often followed by an increase in the market value of the securities over the offering price. This subject is interestingly discussed in our
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Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Feb. 29	104.8	102.3
Week of Feb. 22	107.6	102.7
Month of Feb., 1927	86.8	81.2
9 Bank Stocks		
Week of Feb. 29	$291	$288
Week of Feb. 22	292	289
Month of Feb., 1927	241	236
10 Public Utilities		
Week of Feb. 29	$112	$110
Week of Feb. 22	114	110
Month of Feb., 1927	91	85

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	3	4	2	9
Paper	6	8	7	21
Steel	12	13	19	44
Foodstuffs	11	22	23	56
Utilities	7	7	17	31
Tractions	..	8	9	17
Textiles	4	6	10	20
Industrials	23	30	42	95
Total	66	98	129	293

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low	Last year High (Premium)	Low
Feb. 23	13-64	3-16	5-32	5-32
Feb. 24	13-64	3-16	5-32	5-32
Feb. 25	3-16	3-16	11-64	5-32
Feb. 27	11-64	5-32	11-64	5-32
Feb. 28	11-64	5-32	3-16	11-64
Feb. 29	11-64	11-64	3-16	11-64

STERLING, FRANCS and LIRE

	Sterling Close	Francs Close	Lire Close
Feb. 23	4.87 5-8	3.93 3-8	5.29 3-8
Feb. 24	4.87 7-16	3.93 3-16	5.29 1-4
Feb. 25	4.87 1-2	3.93 1-8	5.29
Feb. 27	4.87 9-16	3.93 1-4	5.28 7-8
Feb. 28	4.87 5-8	3.93 1-4	5.28 7-8
Feb. 29	4.87 9-16	3.93 3-16	5.28 7-8

FOREIGN EXCHANGE

Par		Feb. 22	Feb. 29
13.90	Italian	5.31	5.30
23.82	German	23.72	23.93
19.30	Belgium	13.92½	13.96
34.85	Japan	46.97	46.97

CALGARY OIL STOCKS

Calgary oil stocks closed on Wednesday, Feb. 29, as recorded by E. A. Pierce & Co., Toronto: Alta. Pac. 43; Dalhousie, 275; United, 55; Royalite, 49; Mill City, 27.

CANADIAN STOCK AND BOND QUOTATIONS

Stock Market Record

WEEK ENDING FEBRUARY 28

	Div. Rate	Yield Feb. 27	High for wk.	Low for wk.	Close Feb. 28	Close Feb. 21	Sales for wk.	Range, 1928 High	Low
Banks—									
Commerce	12+1	4.56	288	283½	283½	285	262	290	277
Dominion	12+1	4.92	265	263	265	262	37	270	261
Can. Nationale	10	5.40	187	186	187	186	75	190	186
Imperial	12+1	5.28	248	246	248	247	35	250	246
Montreal	12+2	4.09	344	341	341	343	1081	347	334
Nova Scotia	16	4.13	388	387	387	387	83	390	375
Royal	12+2	3.90	359½	353	353	354	252	359½	330
Standard	12	5.00	244	240	240	247	117	265	236
Toronto	12+1	4.36	298	295	295	295	75	306	280
Paper—									
Abitibi, com. (no par)	.	...	77½	73	75	72	6191	83	71½
Do. pref.	7	5.38	..	...	...	...	...	130	127½
Belgo, Can., pref.	7	6.36	109½	107½	110	107½	33	110	106
Brompton (no par)	$2	3.50	60½	56	58½	59	3303	71	51
Fraser. com.	.	...	59½	56	59	55	3453	63	52
Do. pref.	7	4.00	..	...	...	...	...	184	132⅝
Can. Power & Paper	.	...	36	35	35½	35¾	5169	40½	35
Int. Pap., c. (no par)	$2.40	3.42	71⅜	68½	69¾	69¼	22600	78½	67⅛
Do. pref.	7	6.51	108	106⅝	107½	107¼	560	108	105
Laurentide	6	4.54	132½	130	132½	131	1602	134¾	114
Port Alf. P., c. (n.p.)	.	...	100	100	100	115	4	122	95
Do. pref.	7	6.57	106½	106½	106½	106½	75	108	102
Price Bros., com.	2	2.27	89½	87	88	86	400	96	78
Do. pref.	6½	6.19	105½	105	105	105½	30	107¼	103
Smith, Howard, com.	.	...	83	81	81	83	275	93	71
Do., pref.	8	6.95	115	115	115	115¼	97	117	115
Span. River, com.	7	4.32	...	...	...	...	...	163½	135
Do. pref.	7	5.34	132	130	131	131	892	152	130
St. Maur. V., c. (n.p.)	.	...	89	86	86	86	365	100	72½
Do. pref.	7	6.66	105	104	104	105	275	105	101½
Wayagamack (no par)	$3	2.70	115	110½	111½	115½	673	127¼	106
Steel and Steel Industries—									
B.E. Steel, com.	.	...	4	3¼	3½	3⅝	251	5¼	1
Do. 1st pref.	.	...	40	39	39	39	660	48½	22
Do. 2nd pref.	.	...	7¾	7	7¼	6½	3545	11¼	3½
Can. Car & Found., c.	.	...	53	49	52	49	3812	54⅞	44
Do. pref.	7	7.52	93	92	93	93½	395	94½	90
Can. Fairbanks, pref.	6+3†	5.82	103	103	103	103	5	103	103
Can. Forgings, com.	.	...	17	15	17	17	40	20	15
Do. pref.	5†	...	80	68	75	68	175	80	65
C.G.E., c. (par $50)	.	...	80	80	80	80	17	80	70½
Do. pref. (par $50)	7	5.73	62	60	60	61⅝	109	62½	60
Canada Iron, com.	.	..	..	...	...	...	...	25	25
Do. pref.	4	5.00	..	...	...	...	...	80	60½
Can. Locomotive, com.	.	...	..	...	...	...	...	x48	25
Do. pref.	7	9.21	76	76	76	80	5	80	75
Dominion Bridge	$2.60	4.06	68¼	61½	68	63½	10180	74¾	61½
Do. Rts.	.	...	2	1⅛	1¾	1½	21942	2½	1
Dominion Coal	.	...	95	95	95	96	135	96½	75
Dominion Iron, pref.	.	...	11	11	11	11	45	12	5
Dom. Steel Corp., pref.	.	...	67½	65	65	70	35	76¼	44½

CURB AND UNLISTED MARKETS

	Div. Rate	Yield	High for wk.	Low for wk.	Close Feb. 28	Close Feb. 21	Sales for wk.	Range, 1928 High	Low
Service Stn. Equip.	$1.60	4.44	38	35½	36	37	2188	48	35½
St. Maur. Power	4	2.12	194 *	188	188	190	35	194	170
Simpson, Robt., pref.	6	5.79	103½	103½	103½	103	10	105	102½
St. Law. Pap., c. (n.p.)	.	...	107½	103	105	105¼	730	110	100
Do. pref.	8	6.40	..	...	...	...	...	125	116
Standard Clay	.	...	..	...	...	...	...	34½	34½
United Secs., com.	.	...	..	...	...	...	...	64½	64
Do. pref.	6	5.76	104	104	104	104	90	105	100
Wolthausen (no par)	.	...	...	...	...	...	...	x25	20
Tamblyn, com.	.	...	23½	21	23¼	...	1731	23	21
Do. pref.	.	...	93	90	92	...	1501	93	90

†Arrears.
xQuotations for 1927. No sales recorded in 1928 to date.

Bond Movements of the Week

Week Ending February 28

Bonds	Int. Rate	Due	Yield	Range 1927 High	Low	Range 1928 High	Low	Ask	Latest Price Bid	High	Low
Asbestos, gen. mge.	6	1956	6.11	98	88	99½	97½	98½	98⅝	98½	98
Do.	5	1942	4.71	..	...	103	103	...	105½	103	...
Can. Pr. & Pap.	5	1958	5.26	..	...	96⅛	96	...	...	96⅛	96
Cedar Rapids	5	1953	4.66	101⅞	96⅝	105¼	105	105¼	105	105	...
Dom. Iron	5	1929	6.90	93¾	69	98⅛	94	98½	93¾	96⅝	...
Lyall Cons.	6	1932	6.29	95¼	94	98¾	98¾	...	98¾	98¾	...
Mexican L. & Pr.	5	1940	8.15	80⅛	68⅝	81¼	75	77⅞	75	75	...
Montreal Trans. A	5	1955	4.93	100	94¼	102	99¾	101½	100¼	101	100¼
Wayagamack	6	1951	5.69	103½	97	104½	103½	104½	104¼	104	...
War Loan	5	1931	4.30	102.70	101.10	102.85	102.10	102.55	102.25	102.30	102.10
Do.	5	1937	4.20	106.75	102.95	106.70	105.35	106.35	106.05	....	....
Victory Loan	5½	1933	4.40	106.55	103.35	106.50	105.25	105.50	105.35	105.30	105.25
Do.	5½	1934	4.57	105.55	102.80	105.85	104.80	105.00	104.85	105.70	104.80
Do.	5½	1937	4.20	111.15	106.85	110.95	109.95	110.25	110.00	110.30	109.95
Do., Renewal	5½	1932	4.55	104.10	101.85	104.95	103.55	104.05	103.75	103.65	103.60
Do., Refund	5	1928	5.00	101.50	99.75	100.60	100.00	100.20	100.15	100.15	100.00
Do.	4½	1940	4.30	103.40	96.50	102.90	102.15	102.40	102.15	102.70	102.15
Do.	5	1943	4.45	106.40	102.30	106.10	105.05	105.90	105.55	105.90	105.40
Do.	4½	1944	4.30	103.00	96.60	103.05	102.40	102.80	102.55	102.85	102.40
Do.	4½	1946	4.26	102.70	96.70	103.15	102.55	103.00	102.70	103.00	102.55

Flood Barnes Active Bond Prices

	Price	Rate	Years to Maturity	Next int. Date	Yield %
Abitibi Pwr. & Paper Gen. 6's, due '40	106	6	12	July 2	5.30
Abitibi Pwr. & Paper, 6% notes, due '31	101¾	6	3	March 15	5.35
Agric. Mtge. Bk. of Colombia Gtd. S.F. 7s, due '47	99¼	7	19	July 15	7.06
Argentine Govt. 6's, Series "B", due '58	100¼	6	30	June 1	5.99
Asbestos Corp., 1st Ref., S.F. 6's, due '41	103¼	6	13	July 1	5.64
Asbestos Corp. Gen. Mtge. S.F. 6's, due '56	99¾	6	28	July 1	6.02
Bell Tel. of Can. 1st 5's, Series "B", due '57	105½	5	29	June 1	4.65
Buenos Aires, Province, Ext. S.F. 7's, due '58	100½	7	30	May 1	6.95
Brompton Pulp & Paper, 1st & ref. SF 6's, due '46	103¾	6	18	Mar. 1	5.66
Brazil, United States, Ext. S.F. 6½'s, due '57	97¼	6½	29	April 1	6.68
Canada Cement, 1st Mtge. S.F. 5½'s, due '47	103¼	5½	19	May 1	5.22
Can. Nor. Power Coll. Trust 6½'s, due '41	103½	6½	13	Nov. 1	6.10
Can. Light & Pwr., 1st 5's, due '49	96½	5	21	July 1	5.28
Canada Paper, 1st S.F. 6's, due 1945	103¾	6	17	June 4	5.65
Can. S. S. Lines, 6's 1st & gen., Series A, '41	104	6	13	April 15	5.55
Can. S. S. Lines Consol. 5's, due '43	103	5	15	Aug. 15	5.30
C. P. Rly Coll. Trust 5's, due '34	102	5	6	Oct. 15	4.60
C. P. Rly. Secured 4½% notes, due '44	99¾	4½	16	June 15	4.52
Can. Goodrich Income 7's, due '43	60	7	15		
Chile Republic Ext. S.F. 6's, due '60	93½	6	32	April 1	6.47
Chile Republic Ext. S.F. 6's, due '61	93½	6	33	Aug. 1	6.47
Dom. Iron & Steel 1st 5's, due '29	98½	5	1	July 1	
Dom. Iron & Steel Consol. S. F. 5's, due '39 (£)	70	5	11	Mar. 1	
Donnacona Paper Co. 1st S.F. 5½'s, due '48	99½	5½	20	Aug. 1	5.52
Duke Price Power S.F. 6's, Series "A", due '66	106¾	6	32	Nov. 1	5.55
Fraser Companies Debentures 5½'s, due '42	107½	6½	14	April 1	5.70
French Line Ext. S.F. 6½'s, due '52	102	6½	24	Aug. 15	6.33
French National Mail S.S. Ext. S.F. 6's, due '52	99	6	24	May 1	6.07
General Steel Wares 1st mtge. S.F. 6's due '52	103	6	24	May 1	5.77
Gatineau Power, 1st 5's, due '56	101	5	28	June 1	4.93
Gatineau Power S.F. Debs. 6's, due '41	103½		13	June 15	5.61
Hydro-Elec. B'd & Sh. Corp. Coll. Trust 5's, due '57	99	5	29	May 1	5.07
International Paper Ref. SF 6's, Series A, due '55	104¾	6	27	Mar. 1	5.65
Manitoba Power 1st S.F. 5½'s, due '51	104¼	5½	23	July 1	5.18
Mtl. Coke & Mfg. 1st 5½'s, Series A, due '47	103	5½	19	June 1	5.25
Mtl. L.H.&P. 1st Ref. & Coll. Trust, 5's, Series A, due '51	103½	5	23	April 1	4.75
Mtl. Tram. 1st Coll. Trust 5s, Series A, due '41	103½	5	13	July 1	4.83
Mtl. Tram. Gen. & Ref. SF 5's, Series A, due '55	102	5	27	April 1	4.86
New South Wales Ext. S.F. 5's, due '58	95	5	30	April 1	5.34
Nor. Ont. Lt. & Pwr. 1st, S.F. 6's, due '46	105	6	18	July 1	5.55
Nova Scotia Coal & Steel 1st S.F. 5's, due '59	74	5	31	July 1	
Northwestern Utilities, 1st S.F. 7's, due '38	104¼	7	10	June 1	6.41
Port Alfred Pulp & Paper 1st S.F. 5½'s, due '57	100¼	5½	29	May 1	5.49
Price Bros. 1st S.F. 6's, Series A, due '43	106¼	6	15	Aug. 1	5.38
St. Maurice Power 1st S.F. 6½'s, due '53	108	6½	25	Aug. 1	5.87
St. Law. Paper 1st S.F. 6's, Series A, due '46	104	6	18	Mar. 1	5.65
St. Law. Paper S.F. 6½'s, due '36	102½	6½	8	July 2	6.10
Southern Can. Pwr. 1st 5's, Series A, due '55	102¾	5	27	April 1	4.82
Shawinigan Water & Pr. Co., 1st SF 4½s, due '67	98¼	4½	39	April 1	4.60
United Securities Coll. Trust S. F. 5½'s, Series A, due '52	103¾	5½	24	May 1	5.23
Wayagamac Pulp & Paper 1st S.F. 6's, due '51	104½	6	23	July 1	5.35
Winnipeg, Electric Ref. 6's, due '54	105¼	6	26	April 2	5.61

Unlisted Stocks

These prices are mostly as at February 28, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	$ 2.00	$ 5.00
A. W. Chase, pref.	50.00	60.00
Border Cities, pfd. bonus c.	32.00	40.00
Brandram Henderson, com.	21.50	23.00
Brandram Henderson, pref.	84.00	88.00
Brantford Roofing	97.00	....
Canada Machinery, com.	5.00	8.00
Canada Machinery, pref.	27.00	30.00
Can. Paperboard, pref.	....	95.00
Canadian Westinghouse	225.00	250.00
Caulfields Dairy, com.	29.00	37.00
Copeland Flour Mills, pref.	19.00	24.00
Dom. Alloy, pf. bonus com.	1.00	3.50
Dom. Foundries & Steel c.	5.00	....
Dom. Foundries & Steel, pf.	34.00	....
Dom. Linens, pref.	16.00	....
Dom. Manufacturers, com.	8.00	....
Dom. Manufacturers, pref.	73.00	....
Dom. Power, com.	54.00	57.00
Dom. Power, pref.	102.00	104.00
Dom. Sewer Pipe, com.	70.00	....
Dom. Sugar, com.	24.00	....
Dom. Sugar, pref.	94.00	97.00
Dunlop Tire, pref.	101.50	104.00
Durant of Canada	4.00	5.25
Gillett, E. W.	73.50	....
Goodyear Cotton, 7% pref.	101.00	103.50
Gosse Packing, com.	....	80.00
Gosse Packing, pref.	....	37.00
Greening Wire, pref.	97.00	98.50
Guardian Realty, pref.	60.00	65.00
Huethers Brewing, pref.	....	4.00
King Edward Hotel "A"	81.50	84.00
King Edward Hotel "B"	75.00	77.00
Kingston Ship-Building, pf.	19.00	....
Loew's Buffalo, pref.	....	33.50
Loew's London, com.	4.25	5.00
Loew's London, pref	7.25	8.00
Loew's Mansfield, pref.	85.00	....
Milton Brick Co.	17.00	....
Palace Thea. (Mont.) pfd.	85.00	....
Pure Food, com.	30.00	33.00
Simpson, Robt., pref.	102.50	....
Traymore, pref.	19.00	22.00

Insurance

	Bid	Asked
British America	45	..
Canadian Fire, full pd.	120	135
Canada Life	985	1025
Canada National	20	..
Casualty of Canada, full pd.	190	200
Capital Life, 20% pd.	26	..
Confederation Life, 10% pd.	95	..
Continental Life, 10% pd.	80	..
Crown Life, full paid	385	..
Dom. of Can. Guar. & Ac.	350	..
Dominion Fire	125	..
Dominion Life, 50% pd.	450	..
Excelsior Life, 30% pd.	115	..
Federal Fire, 25% paid	42	..
Fidelity of Canada, full paid	155	..
Great West, full paid	540	560
Imperial Life, 85% paid	435	..
Manufacturers Life, 55% pd.	425	475
Monarch Life, 10% paid	48	52
Montreal Life, 20% paid	75	..
National Life, 25% paid	70	74
Ontario Equitable, 10% paid	39	42
Security Life, 45% paid	20	..
Sovereign Life, 25% paid	57	65
Sun Life, 75% paid	1900	1950
Toronto Casualty	..	26
Western Assurance	65	..

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	$104.00	$ ....
British Mortgage & Trust	207.50	....
Capital Trust	74.00	....
Chartered Trust	90.00	95.00
Commercial Finance, com.	23.00	....
Commercial Finance, pfd.	78.00	84.00
Crown Trust	125.00	....
Debentures & Sec., com.	72.00	....
Debentures & Sec., pref.	72.00	....
Lambton Loan & Savings	81.00	....
London Loan & Savings	46.50	49.00
London & West Trusts	150.00	....
Mfg. Fin., pfd. bonds, c.	5.50	6.50
Midland Loan & Savings	16.00	....
Mortgage Discount, pref.	6.75	7.75
Mortgage Discount, com.	.40	.60
Mutual Finance, com.	7.00	8.00
Mutual Finance, pref.	7.00	8.00
Peoples Loan & Savings	81.00	....
Saskatchewan Mortgage	39.50	....
Sterling Trust Co.	97.50	....
Toronto Finance, pref.	....	3.50
Waterloo Trust & Savings	115.00	....

Club Shares

	Bid	Asked
Bayview Golf	$ 25.00	$ 40.00
Lakeview Golf	45.00	70.00
Lambton Golf	450.00	500.00
Mississauga Golf	25.00	35.00
Rosedale Golf	135.00	....
Summit Golf	25.00	45.00
Thistledown Golf	40.00	65.00
Thornhill Golf	70.00	90.00
Toronto Winter Club	....	60.00
Weston Golf	75.00	90.00
York Downs Golf	225.00	255.00

Recent London Quotations

	Sales
Calgary Power	108½
Hudson's Bay	98s. 1½d.
Hudson's Bay, 5% pref.	99s. 6d.
Can. West Lumber	7s. 1½d.
Standard Chemical, 7%	22½
Dominion Tar	46s. 10½d.
Mond Nickel	132s. 6d.
Lake Superior	9

Recent Vancouver Quotations

B. C. Telephone, pfd., new	106b.
Pacific Coyle, com.	10½b.
Gosse Packing, pref.	80a.

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	103	...
Home Inv. and S. Assn.	75	...
N. Mtge., fully paid	80	..
N. Mtge. 50% paid	25	..
Northern Trusts Co.	50	52
Standard Trusts Co.	33	..
No. Star Oil, com.	2.60	2.90
No. Star Oil Co., pref.	5.40	..

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	101½	102
Abitibi P. & P. 6s, 1940	105	106
Algoma Steel 5s, 1962	56½	58½
Alberta Pac. Grain, 6s, 1946	102	103
Bell Telephone, 5s, 1955	105	105½
Belgo Can. Paper, 6s, 1943	103	..
Brandram-Henderson, 6s, 1939	90	..
B. C. Pulp and Paper, 6s, 1950	90¼	92
Brompton P. & P., 6s, 1946	102½	103¼
Burns, P. & Co., 6½s, 1943	103½	..
Calgary Brewery, 5s, 1942	95½	97
Calgary Power, 5s, 1940	94⅞	95½
Canada Biscuit, 6½s, 1946	101	..
Canada Lt. & Pr. 5s, 1949	95¼	96½
Can. Nor. Power, 6s, 1941	102⅝	103½
Can. Paperboard, 7s, 1937	98½	99½
Can. Steamships, 5s, 1943	102	103
Can. Steamships, 6s, 1941	102¾	103¼
Davies, Wm., 6s, 1942	96	98
Dominion Iron, 5s, 1939	68	73
Drummond Invest., 6½s, 1938	98¼	100½
Duke Price, 6s, 1966	106	107
East Kootenay Pr. 6s, 1966	104¼	105½
Elec. Development 5s, 1933	101	102
Famous Players, 6½s, 1943	104¼	105½
Fraser Cos., 6s, 1950	103¾	105½
Gatineau Power, 5s, 1956	100	100½
Gatineau Power 6s, 1941	102⅞	103½
Howard Smith P. & P. 6s, 1941	104½	105½
King Edward Hotel, 7s, 1944	95½	100
Lake Superior P. & P. 6s, 1941	106½	108
Laurentian Pr. 6s, 1936	100¼	..
Laurentide Pr. 5½s, 1946	101¼	..
Manitoba Pr. 5½s, 1951	103½	104½
Mont. L. H. & Pr. 5s, 1951	102½	103¾
Mont. Pub. Service, 5s, 1942	101½	..
Nor. Ont. L. & P. 6s, 1946	104	105
Nor. West Utilities, 7s, 1938	102	104
Nova Scotia Steel, 5s, 1959	72	75
Nova Scotia 6% Debs.	40	43
Nova Scotia Tram. 5s, 1946	99½	101
Nova Scotia Tram. 7s, 1952	104	106
Ont. Pulp & Paper, 6s, 1948	108¾	110
Ottawa Hull Pr. 6s, 1948	104	105
Ottawa L. H. & P. 6s, 1953	105	106
Ottawa Mont. Pr. 6½s, 1949	104¾	105¼
Ottawa Trac. 5½s, 1955	102½	103¼
Ottawa River Pr. 6½s, 1953	104¼	105¼
Port Alfred P. & P. 5½s, 1957	99	100
Price Bros. 6s, 1943	105	106¾
Prov. Lt. Pr. 5s, 1946	101¾	103
Rio Tramways, 5s, 1935	98¼	98⅝
Sao Paulo Tram. 5s, 1929	99⅛	99½
St. Lawrence Paper, 6s, 1946	102	103
St. Maurice Valley, 5½s, 1957	99	100
St. Maurice Pr. 6½s, 1953	107¼	108½
Shawinigan W. & P. 4½s, 1967	97	97¾
Simpson's, Ltd., 6½s, 1945	104¼	104½
Southern Can. Pr. 5s, 1955	101	102
Spanish River P. & P. 8s, 1941	105¾	107½
West Kootenay Pr. 6s, 1943	104	104¾

NEW YORK CURB

	Close Feb. 15	Close Feb. 21	Close Feb. 29
Bunker Hill	155	145	144 1-2
Can. Marconi	3 9-16	3 5-16	3 5-8
Dom. Stores	115	115	117 1-2
Fanny Farmer	40 7-8	38 1-2	..
Ford Canada	..	525	515
Imp. Oil Can.	58 1-2	59 1-2	59 5-8
Inter. Petrol.	36 3-4	36 1-8	37 3-8
Inter. Util. "A"	..	45 1-2	45 1-8
Do., "B"	8	7 7-8	..
Nipissing	5 1-8	4 3-4	4 7-8
Noranda	19 7-8	17 7-8	18 7-8
Premier Gold	..	2 9-16	2 11-16

May Have Been Offer Made to Dryden Paper

From Our Own Correspondent

MONTREAL.—Some idea of the current earning power position of the Dryden Paper Company may be obtained from the persistent rumors in circulation indicating that the management turned down a $50 cash offer for the shares recently. What information on the company is available indicates, though, that no concrete offer was made to the directors officially, but undoubtedly tentative negotiations were under way. These, it is understood, have been dropped and any offer or contemplated offer has been withdrawn. Rumor now says that a $55 a share offer is to be made. At present prices the stock can only be regarded as an out and out gamble.

Dividends in March

Summary of Payments

Dividends	$21,393,017
Bond Interest	15,198,137
Total	$36,591,154

Company	Rate	Date	Amount
Anticosti Corp. pref.	1¾q	1	$ 52,500
Barcelona Tr. pref.	1¾q	31	440,884
Belding Cort. pref.	1¾q	15	15,142
Brazilian Tr.	1¾q	1	1,865,294
B. C. Fish, com	31¼c.q	10	31,127
Do., pref.	1¾q	10	43,578
Can. Fairbanks, pfd.	x3%	15	45,000
Can. Foundries, pfd.	x1½%	15	14,400
Canada Paper, pref.	1¾q	1	21,875
Canada Bread, com.	$3s	1	75,000
Can. Hydro Elec. 1st pf.	1½q	1	187,500
Canada Cement, pref.	1⅝q	31	276,250
Canada Malting	37½c.q	15	69,000
Capital Trust	5%	1	31,385
Can. Pac. Rly. com.	2½q	31	6,500,000
Do., pref.	2s	31	2,002,970
Crow's Nest Coal	1½q	1	93,189
Cosgrave Brew.	1½q	15	15,000
Bk. of Commerce	3q	1	600,000
Bk. Can. Nationale	2½q	1	137,500
Can. Bakeries, 1st pfd.	1¾q	15	17,150
Do., 2nd pref.	1¾q	15	17,500
Confederation Life	5q	31	5,000
Dominion Life	4q	31	8,000
Durant Motors	1q	31	28,469
East Kootenay Pr. pfd.	1¾q	15	13,125
Eastern Thea. com.	50c.q	1	16,000
Great Lakes Pr. pref.	1¾q	15	10,500
Famous Players, 1st pfd.	$2q	1	84,018
Ham. Dairies, pref.	1¾q	1	13,125
Ham. U. Thea. pfd.	3½s	31	27,576
Hiram Walker	50c.	15	330,000
Hollinger Mines	2%	.	492,000
Inter. Nickel, com.	50c.	30	836,692
Imperial Oil	25c+12½c.	1	2,455,600
Imperial Tobacco, com.	1½q	.	568,887
Do., pref.	3s	30	240,900
Inter. Milling, pref.	1¾	1	40,761
Keeley Mines	4s	15	80,000
Lake Shore Mines	10+10	15	400,000
Lake of Woods, Mill com.	3q	1	105,000
Do., pref.	1¾q	1	26,250
London Life Ins.	5		5,000
Lobla Groc. com.	25c.q	1	43,558
Do., pref.	1¾q	1	9,584
London Loan	1¾q	31	15,600
P. T. Legare, pref.	1¾q	1	10,500
McIntyre Mines	5q	1	199,500
Montreal Cottons, com.	1½q	15	45,000
Do., pref.	1¾q	15	52,500
Montreal Loan	3+1q	15	18,000
Bk. of Montreal	3q	1	897,501
Muirheads, com.	10c.	1	4,835
Do., pref.	25c.	1	6,160
Oglivie Mill, pfd.	1¾q	1	35,000
Ott. & Hull Pr. pref.	1¾q	15	26,250
Provinciale Bank	2¼q	1	90,000
Port Alf. Pulp, pfd.	1¾q	15	105,000
Photo Engravers	50c.q	1	10,000
Port Hope San., com.	1+2q	1	22,485
Do., pref.	1¾q	1	4,364
E. L. Ruddy, pref.	1¾q	1	13,125
Royal Bank	3q	1	900,000
Royal Trust	4q	31	40,000
Stanford's, com.	25c.q	15	5,000
Bk. of Toronto	3q	1	150,000
Viau Bis. 1st pf.	†7-12 of 1%	1	5,833
Volcanic Oil	35+5c.	10	85,920
Wayagamack	75c.q	1	75,000
West. Can. Flour, com.	35c.q	15	30,187
Do., pref.	1⅝q	15	40,218
Windsor Hotel, pfd.	1⅝q	1	39,000
Total			$21,293,017

x—On arrears.
†—For one month.
q—Quartedly.
s—Half-yearly.

Bond Interest Due in March

Company	Rate	Int. Date	Due	Amount
Abitibi Pulp	8	15	1931	$ 122,664
Do., (Gold Notes)	6	15	1931	120,000
Andian National	6	1	1940	300,000
Algoma Cen. Ry.	6	1	1964	9,564
Ad. Beatty Hotel	7	1	1944	21,000
Ancroft Place	6½	1	1946	9,750
Bay St. Bldg. (347)	7	1	1940	14,000
Bell Telephone	5	1	1955	750,000
Brand.-Henderson	6	15	1939	25,770
Brompton Pulp	6	1	1946	125,490
Border Cities Hotel	7½	1	Serial	31,875
Can. Bakeries	6½	1	1945	25,269
Can. Steel Fds.	6	1	1936	36,582
Can. Theatre	6½	1	1941	13,000
Can. Wm. Rogers	6	1	Serial	4,500
Crescent Rd. Apts.	7	1	1946	5,600
Canada Electric	6½	1	1951	14,625
Can. R. & H. Term.	6½	1	1952	113,750
Dom. Textile	6	1	1949	155,160
Electrical Develop.	5		1933	203,750
Guelph Carpet	6	1	1947	30,000
Hermes Bldg.	6½	1	1942	19,500
Hillcrest Coll.	5	1	1940	13,625
Inter. Paper	6	1	1955	655,440
Inter, Power	6½	1	1957	97,500
King Ed. Hotel	7	1	1944	35,000
Lake Sup. Paper	6	1	1941	121,200
Manitoulin & N. Shore Rly.	5	1	1961	55,662
Mexico Tram.	5	1	1963	251,442
Prov. L. H. & P.	5	1	1946	23,025
Que. N. Eng. Hydro	5	1	1942	74,200
N. B. Power	5	1	1937	45,325
Nat'l. Milk Prod.	6½	15	1946	4,875
Rob. Jones & Whit.	6	1	1930	5,472
Ste. Anne Paper	6½	1	1946	162,500
St. Law. Paper "A"	6	1	1946	195,000
Silverwoods	7	1	1937	8,750
Stanley Realty	7	1	1945	14,000
Span. R. lien notes	6	1	Serial	20,040
Toronto Carpet	6	1	1944	28,200
Van. Pr. Con. deb.	4½	31	Perp.	3,010
West Koot. Pr.	6	1	1940	28,818
Corporation Bonds				$3,994,933
Municipal Bonds				x4,062,500
Provincial Bonds				x3,199,032
War Loan	5	1	1937	2,254,172
Victory Refunding	4½	1	1940	1,687,500
Total				$15,198,137

x Figure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

Dividends Declared

	Rate	Date	Record
Dom. Engineering	65c.	Apr. 14	Mar. 31
Can. Oil, pref.	2%	Apr. 1	Mar. 20
Can. Malting	37½c.	Mar. 15	Feb. 29
West. Can. Flour, c.	35c.	Mar. 15	Feb. 29
Do., pref.	1⅝%	Mar. 15	Feb. 29
Ott. & Hull Pr. pfd.	1¾%	Mar. 15	Feb. 29
East Koot. Pr. pfd.	1¾%	Mar 15	Feb. 29
Stand. Chemical	$1.00	Apr. 1	Feb. 29
Belding Cort. pfd.	1¾%	Mar. 15	Feb. 29
C.P.R., com.	2½%	Mar. 31	Mar. 1
Do., pref.	2%	Mar. 31	Mar. 1
Ham. U. Thea., pfd.	3½%	Mar. 31	Feb. 29
Can. Perm. Mtge.	3%	Apr. 2	Mar. 15
Lake Shore Mines	10+10%	Mar. 15	Mar. 1
Cosgrave Brew.	1½%	Mar. 15	Feb. 29
Volcanic Oil	35+5c.	Mar. 10	Feb. 29
Quebec Power	50c.	Apr. 16	Mar. 31
Dom. Stores	75c.	Apr. 1.	Mar. 15
St. Maur. Val., pfd.	1¾%	Apr. 2	Mar. 15
Keeley Mines	4%	Mar. 15	Mar. 1
Dom. Bank	3%	Apr. 2	Mar. 20
Stanford's, com.	25c.	Mar. 15	Feb. 29
McKinnon Ind., pfd.	1¾%	Apr. 1	Mar. 15
Port Alfred Pulp, pf.	1¾%	Mar. 15	Mar. 1
Huron & Erie Mtge.	2%	Apr. 2	Mar. 15
Can. Baker., 1st pfd.	$1.75	Mar. 15	Mar. 5
Do., 2nd pfd.	$1.75	Mar. 15	Mar. 5
Steel of Can., c.	1¾%	May 1	Apr. 7
Do., pfd.	1¾%	May 1	Apr. 7
Bell Telephone	2%	Apr. 14	Mar. 23
Belgo-Can. Pap., pfd.	1½%	Apr. 10	Mar. 31
Hunts, com.	25c.	Apr. 1	Mar. 15
Do., 1st pref.	1¾%	Apr. 1	Mar. 15
Do., 2nd pref.	1¾%	Apr. 1	Mar. 15
Canada Cement, pfd.	1⅝%	Mar. 31	Feb. 29
Nor. Mex. Power, com.	1%	Apr. 2	Mar. 15
Do., pref.	1¾%	Apr. 2	Mar. 15
Can. Fairbanks, pfd.	x3%	Mar. 15	Feb. 29
Dom. Glass, com.	1¾%	Apr. 2	Mar. 15
Do., pfd.	1¾%	Apr. 2	Mar. 15
Dom. Textile, c.	$1.25	Apr. 2	Mar. 15
Do., pref.	1¾%	Apr. 16	Mar. 31
Woods Mfg., pref.	1¾%	Apr. 2	Mar. 22

xOn arrears.

PICCADILLY
WHAT an ideal name for a smoking mixture! And what an ideal tobacco for the name—
Piccadilly
IN PATENT HERMETIC TINS AT 25 CENTS

Public Utility Earnings

Northern Mexico Power

January—	1928	Inc.
Gross	$126,414	$9,325
Net	105,687	7,578

Barcelona Traction

January—	x1928 (Pesetas)	1927 (Pesetas)
Gross earnings	8,653,862	8,104,180
Oper. exp.	2,210,733	2,172,829
Net earnings	6,443,129	5,931,301

xThese figures include the earnings of the newly-acquired Gas Company of Mataro.

B. C. Electric

December	1926	1927
Gross earn.	$1,138,849	$1,233,383
Exp. main., etc.	791,045	853,240
Net income	347,804	380,143
Aggr. gross from July 1 to Dec. 1, 1927	6,294,442	6,619,624
Aggr. net from July 1 to Dec. 31, 1927	1,841,332	1,895,396

Winnipeg Electric

December	1926	1927
Gross earn.	$568,027	$605,897
Expenses	360,726	378,321
Net earn.	207,301	227,576
Aggr. gross from Jan. 1 to end of December	5,633,262	6,015,136
Aggr. Net from Jan. 1 to end of December	2,038,659	2,182,452

Cape Breton Electric

	Dec., 1927
Gross earnings	$ 68,185
Oper. exp. and taxes	47,178
Net earnings	$ 21,006
Interest charges	5,904
Balance	$ 15,102
12 months ending Dec. 31, 1927	
Gross earnings	$656,656
Oper. exp. and taxes	512,500
Net earnings	$144,155
Interest charges	68,533
Balance	$ 75,622

Canadian Western Lumber
Statement of Lumber Manufactured, Sold and Price Realised for the month of Dec.

	1926 Feet	1927 Feet
Lumber mfd.	6,985,471	6,432,105
Lumber sold	5,194,315	4,092,059
Price realised	$119,708	$85,156
Agg. lumber mfd. from 1st Jan. to end Dec.	153,008,709	114,727,184
Agg. lumber sold from 1st Jan. to end Dec.	146,997,887	144,289,185
Agg. price realised	$3,477,980	$3,147,253

Can. Western Natural Gas

	1926	1927
January	$138,443	$199,753
February	126,850	193,421
March	111,770	168,005
April	106,121	141,436
May	52,898	102,615
June	37,018	71,998
July	43,725	49,290
August	43,520	43,753
September	70,323	60,847
October	95,064	91,167
November	128,039	173,299
December	194,716	269,484
Aggre. earn from Jan. 1 to Dec. 31	1,145,487	1,565,015

x Decrease.

Brazilian Traction

January—	1928	1927
Gross earnings	$3,307,175	$2,975,801
Oper. expenses	1,384,605	1,300,872
Net earnings	$1,922,570	$1,674,929

The figures for the past 13 months follow:

1927—		
January	$2,975,801	$1,674,929
February	2,876,578	1,614,573
March	3,080,055	1,765,482
April	3,053,071	1,743,614
May	3,237,839	1,901,400
June	3,197,303	1,910,223
July	3,346,083	1,984,763
August	3,358,938	1,990,208
September	3,293,117	1,899,196
October	3,305,659	1,910,396
November	3,303,181	1,902,061
December	3,292,022	1,757,700
1928—		
January	3,307,175	1,922,570

xDecrease.

Tenders and By-laws

March 9—Township of La Sarre, P.Q.—$40,000, 5½ per cent. serial bonds. J. A. Gagnon, sec-treas.

March 7.—Carleton County.—$123,210 per cent. 5, 10 and 15 ins. H. R. Washington, clerk and treas. (See announcement on page 10).

Saskatchewan
Authorizations Granted by the Government Board from Feb. 11, to Feb. 25, 1928

Schools.—Granview, No. 2267, $750; Marston, No. 513, $4,000; Woodville, No. 4634, $1,500; Alder Grove, No. 1281, $700; Prairie Heights, No. 1041, $1650; New Ontario, No. 260, $4,500; Standon, No. 4030, $1,000; Kensington, No. 2725, $2,000; Sunshine, No. 1, $4,200; Menmawala, No. 3074, $2,200; Denehurst, No. 1070, $1,100; Bolingbroke, No. 2883, $2,500; Prouse, No. 2890, $1,500; Ambassador, No. 4740, $9,000; Awde, No. 660, $4,500; Padgate No. 3320, $1,700; Fox, No. 2211, $2,200; Shannon Lake, No. 4102, $1,000.

Debentures reported sold

Hopefull, No. 4728, $3,000, 15-yrs. Waterman & Waterbury Co., Regina. Wawota, R. T. Co., $1,200, 15-yrs. H. M. Turner and Co., Regina. Whitewood. St. Hubert, R. T. Co., $2,000, 10-yrs. Moorehouse & Co., Regina. Oban, No. $4,000, 15-yrs. 5⅝%, Cross & Co., Regina. Wild Rose Valley, $1,600, 10-yrs. Regina P. B. Sinking Fund. LeFleche R. T. Co., $600, 10-yrs. 5⅝%, Turner & Co., Regina.

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OTTAWA "POWER" GROSS REVENUES ROSE LAST YEAR

Reserves Still Equal to Large Proportion of Fixed Assets

From Our Own Correspondent

MONTREAL.—The annual report of the Ottawa Light, Heat and Power Company covering the 1927 year bears witness to the steadily improving position of the company.

The following comparison of income account figures reveals clearly the decided betterment in earnings experienced during the last three years and shows last year's enlarged allowance for depreciation. Under operating costs the company includes all charges for maintenance:

	1927	1926	1925
Gross rev.	$1,920,943	$1,854,383	$1,787,182
Operating	1,130,319	1,112,102	1,092,550
Taxes	130,866	111,564	112,085
Interest	138,465	142,375	136,526
Income Tax	28,045	30,013	33,237
Depreciation	130,000	105,284	104,950
Net profits	$363,248	$353,045	$307,834
Preferred div.	97,500	97,500	97,500
Common	210,000	210,000	210,000
Surplus	$55,748	$45,545	$334
P. & L. bal.	187,675	142,130	141,796
P. & L. acc.	$243,423	$187,675	$142,130

Working Capital Position

	1927	1926	1925
Cur. assets	$994,250	$775,796	$732,737
Cur. liabs.	520,271	489,592	267,356
Net work. cap.	$473,979	$286,204	$465,381

The balance sheet reveals the increase in the working capital noted in the foregoing figures and also several changes due to the refinancing undertaken during the year. Bonds now outstanding total $4,000,000 as against $2,157,000 a year ago.

Reserves Are Large

In the liabilities the reserves of one kind or another, plus surplus account total $3,179,945 as against a total investment in property, plant and equipment carried amongst the assets this year at $11,248,007. The last figure represents a considerable increase over 1926 when plant was carried on the books at $9,656,498. Cash on hand at the close of the year amounted to $267,384 as against $14,137 a year ago.

In his remarks to the shareholders, T. Ahearn, the president, said in part that:

"There has been an increase in property, plant and equipment of $1,591,508.52, which is accounted for as follows:

Work at hydraulic plants in raising the bay level at our power houses, with the view of adding to the efficiency of the power houses through the greater head.

"Various extensions to the company's services.

"Construction of a new substation.

"Construction of a new head office building."

Expansion of Business

The development of the company's business is outlined as follows:

"The Ottawa Electric Company has had encouraging gains in both residential and commercial branches. The Ottawa Gas Company, which had been temporarily affected in its domestic supply by the large demand for electric stoves, has started on the upgrade, the result of the installation of the dual service stove, a reaction in favor of gas cooking, and by the installation of a number of gas-fired boilers for house heating. The demand for house heating by gas is gradually coming into favor.

"In the matter of depreciation, your directors have continued along lines that are recognized as sound and reasonable."

STERLING TRUST HAS BEST YEAR IN ITS HISTORY

All Departments of Business Grow; Hint of Stock Offering

Sterling Trusts Corp., in 1927, increased its earnings from $47,966 to $50,264, after taxes, on paid-up capital of $599,122, and increased its dividend from 6 to 6½ per cent. Gross assets show a very material increase, from $7,196,141 at the end of 1926 to $8,185,963 at the end of the last year. A further $10,000 was transferred to reserve from surplus, so that the reserve is now $100,000.

All departments of the business show growth. Capital assets are up from $707,200 to $731,416. The guaranteed trust account is up from $56,886 to $129,527. The estates, trusts and agency account shows the greatest growth, with assets now totalling $7,325,019, as against $6,432,053 a year ago.

At the annual meeting of the company, W. H. Wardrope, K.C., president, remarked that the report was the best in the history of the company. Charles Bauckham, vice-president and general manager, said that expansion of business probably would make it feasible to offer new stock soon. He said that the corporation had spent considerable money on developing new business in the course of the year; this expense had been written off out of earnings, although the corporation would reap the benefits therefrom in years to come. Lorne Johnson, manager of the Regina branch, remarked on the improved conditions in the West, and stated that farm lands are now in greater demand in the vicinity of Regina than they have been for a number of years.

The following table shows the progress of the corporation over a number of years:

Year	Paid-up Capital	xProfits	Rate of Earnings Earned p.c.	Dividend
1918	$480,440	$24,004	5.0	.
1919	501,302	62,196	12.4	.
1920	501,302	34,410	6.9	.
1921	501,302	11,756	2.3	.
1922	509,716	31,452	6.2	.
1923	568,019	32,096	6.5	6
1924	575,010	35,343	6.2	6
1925	579,298	41,985	7.2	6
1926	528,798	47,966	8.2	6
1927	599,122	50,264	8.3	6½

xLess taxes.

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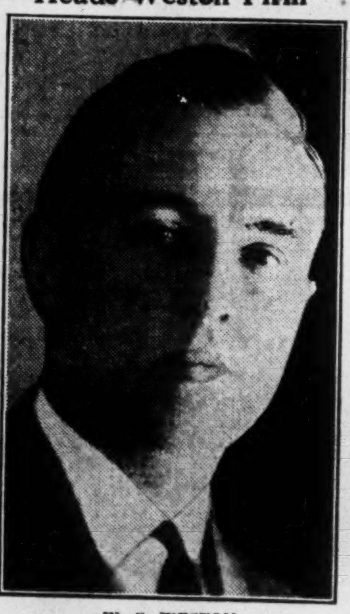
Heads Weston Firm



W. G. WESTON, president and general manager of the George Weston Company, Limited, which was organized this year to take over the business of George Weston, Limited. Mr. Weston is the son of the founder of the original firm.

CLAIM STRATFORD BROOKS PATTERNS USED AT BUFFALO

White, Oswald, Norton All Resign in Protesting This

No person acquainted with the affairs of Brooks Steam Motors has been found to comment on the resignation of D. McCall White, H. A. Oswald and George O. Norton, directors who have been operating the Stratford experimental factory under the direction of G. T. Clarkson. Mr. Clarkson was appointed by the court to take charge of the affairs of the company as a means of disposing of litigation between O. J. Brooks, Brooks Securities and shareholders representing, who were dissatisfied with the regime of O. J. Brooks.

Messrs. White, Oswald and Norton resigned, they are quoted as saying, because, they allege, parts for the steam bus, patterns for which were developed and designed at Stratford, were being shipped from two United States factories to Brooks Steam Motors, Incorporated, at Buffalo. These parts were of a nature which were not made in Canada. It is declared that orders for the parts were received by the makers in the United States from the Buffalo plant, and the orders were filled by the makers in ignorance that there was no connection between the two companies.

Wegenast in England

The Stratford officials, in resigning, say that the steam bus was the only asset of Brooks Steam Motors, and that the principal hope of the shareholders was an advantageous sale of the United States rights to the patterns. It is pointed out that development of a similar bus at Buffalo will mean that the United States rights to the bus developed at Stratford, will have little, if any, possible value.

F. W. Wegenast, counsel for the dissatisfied shareholders, is in England in connection with the litigation concerning the ownership of stock of Toronto Finance Co. O. J. Brooks, the other party to the suit, also promoted Toronto Finance Co.

COSMOS REPORT CONFIRMS RUMOR OF PROFIT DROP

But Company Begins 1928 With Substantial Orders on Hand

After beginning the year in high promise, Cosmos Imperial Mills suffered from unfavorable trade conditions in the last half of 1927, with the result that earnings per common share for the full year are less at $1.22 per share, than earnings of $1.42 in the previous six months, which was the first six months of public investment interest.

The report to the shareholders signed by S. Harold Greene, president, states that an overproduction of cotton, extreme fluctuations in prices and other conditions affected the company, but that the new year is beginning with a substantial volume of forward business. Current prices, it is stated, are depressed, but it is anticipated that there will be improvement when steps which are being taken to bring about organized curtailment in production in America, become effective.

Adds to Plant

In the course of the year, the company has added to plant and equipment to the extent of $83,321 out of earnings.

While the report was a disappointment to many shareholders, which immediately was reflected in the market value of the common, but readers of The Financial Post were not unaware of conditions, for it was reported in these columns on September 23, 1927, that earnings for the last half of the year were not nearly so satisfactory as in the first half of the year.

Apparently, rather wide variations in earnings of this company are to be expected, in view of the wide fluctuations in the market value of cotton, the principal raw material, and because of other conditions. It will be noted that the old company earned $291,428 in 1925, $289,171 in 1923, but only $132,226 in 1924. The 1927 figure, as shown in the subjoined table, was $165,405 before preferred dividends, compared with $112,606 in the previous six months.

	*1926	1927
Profit	$113,968	$167,790
Other Income	4,908	12,794
Total	$118,876	$180,584
Less Taxes	6,270	15,179
Net Profit	112,606	165,405
Div. Pfd.	39,375	104,496
Surplus per Year	$ 73,231	$ 60,909

*For last six months.

Negotiate to Purchase Can. Department Store

Income Bondholders Have Prior Claim on Part of Property; Rank With Trade Creditors for Other Assets

Negotiations are in progress between G. T. Clarkson and unidentified interests whereby Canadian Department Stores, managed by Mr. Clarkson as receiver for several months, may be sold. The Financial Post has learned, contrary to report, that as yet no definite offer has been received, but that one is expected.

Identity of the possible purchasers has not been disclosed. They are not the Robert Simpson Co. or affiliated interests, but may be Eaton's.

On the basis of the expected offer, trade creditors of Canadian Department Stores would receive between 40 and 45 per cent. of their claims. First-mortgage bond holders are amply protected. Income bondholders would receive approximately 50 per cent.

It is believed that, in the liquidation of the property, income bond holders would rank equally with trade creditors in the general claims and rank ahead of trade creditors in so far as the bonds are a first mortgage on two of the properties in the original merger.

COMPETITION CUTS GILMAN FANFOLD PROFITS IN YEAR

Dividend is Maintained; S. J. Moore Mentions New, Improved Lines

Annual report of Gilman-Fanfold Corp. shows profits of $6.22 per common share in 1927 after preferred dividends, taxes, depreciation and amortization of patents. This compares with $11.71 per share for the previous year. The company paid 6 per cent. on its common stock, as in the previous year.

S. J. Moore, the president of the company, informs the shareholders that intense competition and lower selling prices are responsible for the lower, and that the year's results also were affected by the expense incurred in developing improved and additional lines of products. He points out, however, that the balance sheet shows a satisfactory financial condition, the cash on hand being in excess of all liabilities to the public, including reserve for taxes. Current assets are more than four times current liabilities.

Assets Are Higher

The balance sheets shows fixed assets somewhat higher than a year ago, buildings, plant, machinery and equipment now standing at $1,265,941 compared with $1,211,019 a year ago and patents at $498,893 compared with $492,064 a year ago. Current assets are up from $407,726 to $429,257. On the other hand, current liabilities decreased slightly, from $103,692 to $99,288.

Following is the comparative profit and loss statement:

Income and Surplus Account
Years Ending December 31

	1927	1926	x1925
Net earnings	$225,706	$312,549	$200,267
Less—			
Depreciation	89,090	109,020	57,732
Patent exp.	6,823	5,833	4,443
Taxes	15,000	28,000	17,500
	$110,913	$142,853	$ 79,675
Net profits	$114,793	$169,696	$120,592
Less appropriations—			
Pref. dividends	52,500	52,500	35,000
Com. dividends	60,000	60,000	40,000
	$112,500	$112,500	$ 75,000
Surplus for year	2,293	57,196	45,592
Add prev. surplus	102,787	45,591	.....
Bal. car. forward	$105,080	$102,787	$ 45,592

xNine months.

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TORONTO STOCK EXCHANGE BUILDING, TORONTO

Porto Rico Railways Has Successful Year

From Our Own Correspondent

MONTREAL.—The year 1927 proved eminently successful for the Porto Rico Railways, the recently acquired subsidiary of the International Power Company. The number of light and power customers served increased from 32,250 to 35,000 during the year. This subsidiary now serves only 5,000 fewer customers than the total number of gas and electric customers of the Ottawa, Light, Heat and Power Company. The increasing use of electric light and power, particularly for cooking and other domestic uses, has been marked during the past twelve months in the territories served.

Since the company was acquired by the International Power Company, a franchise has been granted to the Porto Rico Railways to develop additional water power sites from which about 2,200 horsepower is available. Construction work will begin shortly, and it is expected that the new plant will be producing early in 1929.

FOREIGN SECURITIES
We are active in all foreign issues.
Ask for quotations.
Have your name placed on our mailing lists
EUROPEAN DEBENTURE CORPORATION LTD.
12[illegible] St. James Street, Montreal

Montreal Loan Shows Steady Progress

From Our Own Correspondent

MONTREAL.—The seventieth annual report of the Montreal Loan and Mortgage Company for the 1927 fiscal year shows a steady and satisfactory increase in earnings and a good balance sheet position. Total assets amount to $1,842,523, of which $1,805,646 is invested in mortgage and real estate; the remaining $36,800 is in current assets. Total liabilities amount to only some $8,000.

The profit and loss accounts over the past three years are as follows:

	1927	1926	1925
Profits	$ 87,486	$ 86,490	$ 85,967
Prev. bal.	47,567	39,076	31,118
Total bal.	$135,053	$125,566	$117,076
Dividends	78,000	78,000	78,000
P. & L. bal.	$ 57,053	$ 47,566	$ 39,076

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Manufacturers of High-Grade
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Mills at: PARIS, BRANTFORD, LONDON, WATERFORD and ALMONTE, ONTARIO; COATICOOK and ST. HYACINTHE, QUEBEC.
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SALES OFFICES TO RETAIL TRADE
Montreal Toronto Halifax
AGENTS
John Wilson, Saint John, N. B.
Bryce & Co., Ltd., Winnipeg and Vancouver.
EXPORT REPRESENTATIVES
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H. W. Airey, Ltd., Auckland, N. Z.
L. C. Carrick, Johannesburg, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, England.
A. Lowry, Belfast, Ireland.
J. & R. Wilson, Port-of-Spain, Trinidad.
Lester W. Huddle, Kingston, Jamaica.
H. P. Surrey, Shanghai, China.

Poster Advertising Association of Canada
Bank of Hamilton Bldg. Toronto

Six Years Ago—

The eyes of combustion engineers all over the North American continent were focussed on the little Lakeside Station of the great Milwaukee Electric Railway Company. At first, these engineers were skeptical at what they saw—later, a little incredulous—and, finally, excited. The Lopulco Pulverized Fuel System, on its initial public performance, was proving a practical success. This meant a revolutionary change in the fuel burning and steam generating systems in industrial plants everywhere—and these engineers knew it. That was six years ago!

To-Day—

Lopulco Pulverized Fuel Systems are installed in eight of the largest pulp and paper mills in Canada. The new system is, beyond doubt, the outstanding advance of recent years in the combustion field. In the United States, in Europe and in Asia, in South America and Africa, the new system is being installed in industrial plants as rapidly as possible. The saving in steam production costs is enormous!

St. Lawrence Paper Mills
Canadian International Pulp and Paper Co.
Laurentide Pulp Co.
Lake Superior Paper Co.
Fort William Paper Co.
St. Annes Paper Co.
Lake St. John Power and Paper Co.
Nashwaak Pulp and Paper Co.

Combustion Engineering Corporation Limited
Power Plant Equipment
MONTREAL, TORONTO, WINNIPEG, VANCOUVER

NEW ISSUE

$850,000

The Great West Saddlery Company
Limited
(Incorporated under the laws of the Dominion of Canada)

20-Year First Mortgage Sinking Fund 6% Gold Bonds

Dated: March 1, 1928 Due: March 1, 1948

Principal and semi-annual interest, March 1 and September 1, payable at the option of the holder at any office of The Canadian Bank of Commerce in Canada. Coupon bonds in denominations of $500 and $1,000 registerable as to principal only. Bonds are callable at the option of the Company in whole or in part upon sixty days' prior notice at 105 and accrued interest.

AN ANNUAL SINKING FUND WILL BE PROVIDED, COMMENCING MARCH 1st, 1929, ESTIMATED AS SUFFICIENT TO RETIRE ALL OUTSTANDING BONDS AT MATURITY.

Trustee: The Toronto General Trusts Corporation.

Legal Investment for Life Insurance Companies under the Insurance Act, 1917, Canada

CAPITALIZATION
(Upon completion of the present financing)

	Authorized	To be Issued
6% First Mortgage Sinking Fund Twenty Year Gold Bonds	$1,000,000	$850,000
6½% Cumulative Convertible Redeemable First Preference Stock (par value $100 per share)	1,000,000	900,000
6½% Cumulative Convertible Redeemable Second Preference Stock (par value $100 per share)	200,000	200,000
Common Stock (no par value)	76,000 Shares	40,000 Shares

The following information has been summarized from a letter written to us by Mr. E. F. Hutchings, President, to be elected, and from other sources:

CORPORATE HISTORY AND BUSINESS: The Great West Saddlery Company, Limited (new Company), is to be incorporated under the Companies Act, Canada, and is to acquire as a going concern all the business, assets and undertaking and assume all the liabilities of the old Company of the same name. The Great West Saddlery Company, Limited (old Company), was established in 1899 in Winnipeg, and since then has carried on successfully the business of manufacturing and selling all classes of leather harness, saddlery and allied products. In addition, the Company deals in a wide variety of leather goods and general farm merchandise but not including agricultural implements. Substantial profits have accrued to the Company from these activities.

During the past twenty-nine years the Company has grown to extensive proportions and is to-day the largest of its kind in Canada and among the largest of its kind in the world. Modern manufacturing plants are located in the cities of Winnipeg and Calgary. Warehouses are located in Edmonton, Macleod, Regina and Saskatoon as well as in the cities of Winnipeg and Calgary.

ASSETS—Assets of the Company as of June 30, 1927, after giving effect to the present financing, were as follows:

Fixed Assets—Certificate of Sterling Appraisal Company—less additions of $10,036.57 made subsequent to July 1, 1927, and including goodwill at $1	$1,003,982.68
Net Current Assets— Report of George A. Touche and Co.	1,473,201.00
Total Net Assets	$2,477,183.68

Total net assets exceeded $2,900 for every $1,000 bond of this issue.

EARNINGS: An analysis of earnings made by George A. Touche & Co., discloses earnings available for the payment of bond interest and income tax, after giving effect to the present financing and after making allowance for depreciation on the appraised value of the properties and full and proper maintenance charges, as follows:

Fiscal year ended:	Amount
June 30, 1925, exceeding	$147,650.00
June 30, 1926, exceeding	189,230.00
June 30, 1927, exceeding	212,220.00

The annual average for the foregoing three-year period is in excess of $183,000, which is equivalent to 3.58 times interest requirements of $51,000 on the present bond issue. Earnings available for the year ended June 30, 1927, were equivalent to 4.16 times bond interest requirements.

The annual average of cash dividends paid by the predecessor Company during the years 1914 to 1927, both inclusive, was practically equivalent to two and one-half times the interest requirements on the present issue of bonds.

SALES: Sales of the Company's products and other merchandise show steady growth. During the past three years and the first six months' period of the 1928 fiscal year sales have been as follows:

Fiscal year ended:	Amount
June 30, 1925	$2,507,600.00
June 30, 1926	3,099,546.00
June 30, 1927	3,190,016.00
Dec. 31, 1927 (6 months)	1,612,355.00

Net Sales for the six months' period ended December 31, 1927, showed an increase of 23% over the corresponding period of the previous fiscal year.

SECURITY: The bonds will be secured by a first mortgage covering the land, buildings, machinery, plant and equipment now owned or hereafter acquired, to be set out in the Deed of Trust to be dated March 1, 1928, in favor of The Toronto General Trusts Corporation, as Trustee for the bondholders. In addition the bonds are to be secured by a floating charge on all other assets of the Company.

The Company's properties are fully insured against fire to an amount of approximately $1,402,700.

MANAGEMENT: The Company and its predecessor have long been established in the harness, saddlery and leather business, the original Company having been established in 1899. Mr. E. F. Hutchings, President of the old Company, is to continue in that capacity with the new Company. Mr. E. R. Dowdall, who will be General Manager, and Mr. T. J. Lytle, who will be Secretary-Treasurer of the new Company, have occupied responsible positions in the old Company for a number of years. The officers and senior employees are all men of experience and proven ability.

These bonds are offered when, as and if issued and received by us, and subject to the approval of all proceedings by Messrs. Kilmer, Irving & Davis for the Underwriters, and by Messrs. Long & Daly, for the Company.

Price: 99 and accrued interest, yielding approximately 6.10%

Bell, Gouinlock & Co. Fry, Mills, Spence & Co.
Cochran, Hay & Co., Limited

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

The 5 Great Hazards

"It has been in this house fifty years. You can't find another piece like it. This, ladies and gentlemen, is genuine! What am I offered for it? These old treasures are going for a song. Give me a bid."

—As the auctioneer rattles on, the neighbors think of the old days of entertainment and open hospitality in that house. They wonder how long the proud and lonely mistress has been fighting off the inevitable.

WHILE presenting our Annual Statement showing Assets of $2,388,647,636 — 2 Billion, 388 Million Dollars — representing savings and investments of 25 million people in the United States and Canada, the Metropolitan Life Insurance Company desires to make clear what a life insurance company can do, what it should do and what, so far, it has been unable to do toward meeting what have been called the five great hazards of life:

Death

which may come early, before one's dependents have been provided for.

Accident

always sudden and often causing lessened earning power.

Sickness

which may cause want as well as suffering.

Dependent Old Age

which must seek charity if self-support is no longer possible.

Unemployment

which may bring distress to others in addition to the one unemployed.

❋ ❋ ❋

Annuities for old age, protection in case of death, accident or sickness—almost every financial requirement can now be met by insurance.

HALEY FISKE,
President.

Fiscal Report to Policyholders
for Year Ending December 31, 1927

Assets	$2,388,647,636.32
Liabilities:	
Statutory Reserve	$2,086,410,639.00
Dividends to Policyholders payable 1928	$68,286,637.58
All other liabilities	$92,583,792.86
Unassigned Funds	$141,366,566.88
	$2,388,647,636.32
Increase in Assets during 1927	$280,643,251.02
Income in 1927	$651,068,588.43
Gain in income, 1927	$55,472,082.55
Paid-for Life Insurance Issued Increased and Revived in 1927	$2,834,975,738.00
Total Bonuses and Dividends to Policyholders from 1892 to and including 1928	$371,918,295.48

Life Insurance Outstanding

Ordinary Insurance	$7,157,922,228.00
Industrial Insurance (premiums payable weekly or monthly)	$5,877,465,375.00
Group Insurance	$1,768,398,187.00
Total Insurance Outstanding	$14,803,785,790.00
Number of Policies in Force (*Including 1,154,888 Group Certificates*)	40,166,107

Amount expended during the years 1909-1927 inclusive for Welfare work in all Departments and Divisions **$74,314,293**

In Canada:

Business issued in 1927	$194,948,664
Ordinary	$91,544,576
Industrial	$76,417,689
Group	$26,986,399
Increase over 1926 of	$26,086,641
Business in force at end of 1927	$769,114,229
Ordinary	$394,962,388
Industrial	$326,336,071
Group	$47,815,770
Increase over 1926 of	$64,202,874
Investments in Canada	$153,194,442
Dominion Government Bonds	$48,778,331
Provincial & Municipal Bonds	$50,826,712
All other Investments	$53,589,397
Increase over 1926 of	$15,424,306
Policies in force in Canada	2,467,977
Increase over 1926 of	118,073
Payments to Canadian Policyholders in 1927	$11,560,367
Increase over 1926 of	$1,481,360

The Metropolitan leads in Canada as it does in the world.

Only one problem is still unsolved—unemployment insurance and that only because legislation permitting it has so far been refused. The day must come when every family can and will plan to meet every one of the five great hazards so that none of its members will ever face the need of charity.

❋ ❋ ❋

The United States and Canada pay higher wages than other countries. Nearly all their workers earn enough to provide for both present and future needs. If they will but plan ahead they may have in their years of retirement, not merely bare existence, but real comfort.

❋ ❋ ❋

Thousands of those interested in life insurance have asked how the family income should be expended. Send for our Home Budget Booklet which tells how much should be spent for necessities—food, housing, clothing, fuel—and how much should be laid aside for protection. It will be mailed free.

HENRY E. NORTH,
Third Vice-President and Chief Agent for Canada.

FREDERICK H. ECKER,
Vice-President.

The Metropolitan Life Insurance Company is a mutual organization. It has no stock and no stockholders. Its wealth is owned solely by its policyholders.

METROPOLITAN LIFE INSURANCE COMPANY

HOME OFFICE **NEW YORK**

CANADIAN HEAD OFFICE **OTTAWA**

Biggest in the World, More Assets, More Policyholders, More Insurance in force, More New Insurance each year.

"Not best because the biggest, but biggest because the best"

rch 2, 1928

FEATURING ALBERTA COAL

THE FINANCIAL POST

FEATURING ALBERTA COAL

Vol. XXII. Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, MARCH 2, 1928 10c. a Copy; $5.00 a Year No. 9

ALBERTA SEEKS ONTARIO MARKET FOR HER COAL OUTPUT

A modern colliery in Alberta, one of many needing but a wider market to attain to a high level of prosperity.

LOWER RATE ON RAIL HAUL IS EXPECTED

Ottawa Despatches Forecast Early Action on Matter

GIVES MINES CHANCE

Low Freight Rate on Alberta Coal Would Enable Them Really to Test Out Ontario Market

A maximum freight rate for the movement of Alberta domestic coals to the Ontario market is expected in an order-in-council to be issued shortly by the Federal government. (Press despatches from the nation's capital have seemed to indicate that this is coming).

It is not anticipated that the demands of the Alberta government and mine operators will be accepted in full, i.e., a rate of about $6 a ton, nor that the rate will be set at the out-of-pocket cost estimated by the railway officials. An equitable rate of below $7, however, is expected, which will enable the mine owners to prove their contention that Alberta domestic coals can be marketed in competition with United States imports in the markets of Ontario.

Ship for 1929 Anyway

It is not known whether such a rate will be effective in time for shipments this year, but in any event—given the rate—Ontario consumers can look forward to the entry of Alberta coal in the province by the late spring of 1929 at the latest.

Geographical distribution of its coal reserves with respect to its main consuming centres, has long been one of the *main problems* confronting *Canada in* regard to the setting up of a national fuel policy.

Therefore the matter gets down to the transportation of coal from the mine head to the ultimate consumer at a cost which will not prove abortive to either the carrier or shipper.

Central Canada's Situation

Canada has in Ontario and Quebec what is commonly known as an "acute fuel area." In the Maritimes and Alberta, on the other hand, there are tremendous supplies of coal, together with the necessary facilities for the production of all of Canada's coal needs.

Quebec is the logical market for the Maritimes. At present there are minor difficulties in the way of transportation, but with a proper realization of the problems and an organized effort to overcome them on national lines, the difficulties will soon be overcome.

Problem in Ontario

The main problem is Eastern and Central Ontario, and here the largest coal market exists. The nearness to the highly developed coal fields of the United States with consequent low transportation costs, favors that country in competitive prices of coal. Ordinary transportation rates from the Maritimes in the East and Alberta in the West will not permit a selling price which would sell the coal.

Due to seasonal markets in Western Canada and insufficient population to absorb the output, with a very few exceptions the Alberta mines producing domestic coal only operate intermittently and at full capacity for only a few months in the year. The season opens up to capacity about the beginning of September and tapers off about the 15th of January to an almost closed down condition by the first of February, and this condition obtains until well on into August.

Peak Rail Movements

The consuming public of Ontario have for many years been in the habit of buying their domestic coal supply very largely during the early

(Continued on page 25)

Alberta Reserves Would Last Nation Forty Thousand Years at Present Consumption Rate

Enormous Deposits of Coal in That Province Represent One of Really Great Fuel Reserves of Explored World

WHOLE PROVINCE IS ONE HUGE COAL BED

Immense Areas of Coal Underlie Practically Every Accessible Portion of Province—Are Many Grades of Coal Available — Where Province Ranks in World

Coal sufficient to keep Canada supplied for the next forty thousand years at the present rate of consumption, is the estimate of reliable authorities on the coal resources of Alberta.

It is based, as far as developments will enable proper surveys to be made, on present day conditions. In time, as Alberta's coal is more generally utilized, new areas opened up and new fields discovered, this estimate will be revised. This and succeeding generations for many years to come, however, will never fear a shortage of coal.

Canada's Fuel Problem is Complex

The fuel problem of this country is one of great perplexity. The coal areas are not located near the centres of dense population. In those provinces devoid of known coal deposits, electrical energy has been and is being utilized to some extent for heating purposes. Coal for domestic purposes is imported from the United States.

In the eastern and western extremities of the Dominion, nature has placed at the disposal of Canadians enormous deposits of commercial coal, the extent of which, even to those accustomed to dealing in figures of millions, etc., is incomprehensible.

Reserves Are Enormous

Official estimates of the geological survey place the coal reserves of Canada at 1,234,269 million tons. In other words, there is sufficient coal in this country to supply every man, woman and child in it, as at 1927, with nearly 130,000 tons. Truly a stupendous total.

How do these reserves compare with other countries? The United States, with the largest reserves of any country in the world—3,838,657 million tons—is the only country whose reserves exceed those of Canada. Unlike the United States, however, Canada is deficient in anthracite, although, at the present time, small reserves of anthracite are known to exist in Alberta and elsewhere.

Alberta Has 90%

This survey shows that of all reserves, nearly 90 per cent. or more is located within the border lines of Alberta, as evidenced by the following distribution:

	Million Metric Tons
Alberta	1,075,039
British Columbia	76,035
Yukon	4,940
N. W. Territories	4,800
Arctic Islands	6,000

While Canada's known reserves of anthracite are limited, there is a super-abundance of bituminous and sub-bituminous coals. These are located for the most part in Alberta, which alone contains 14 per cent. of the coal resources of the world.

Three Distinct Formations

Alberta's coal is found in three distinct horizons or layers, the Edmonton, the Belle River and the Kootenay formations. The highest grades and hardest coals are found in the mountains, a lower grade in the foothills, whilst the extreme eastern portion of the coal fields on the plains produces lignite.

Coal fields in the Kootenay formation in Alberta are to be found on the eastern slope of the Rocky Mountains and in the foothills from near the international boundary northward to beyond the Athabaska River. North of that point most of the coal-bearing areas occur in the foothills. The principal districts where coal from this formation is mined from south to north, are Crowsnest Pass, Banff-Canmore, Brazeau, Mountain Park and Jasper Park. The coal of the Kootenay formation is, in the main, bituminous, but in the Cascade basin it has been altered to semi-anthracite and semi-bituminous, the greatest alterations taking place in the Banff district. This basin, it is estimated, contains 400 million tons of semi-anthracite and 1,200 million tons of semi-bituminous.

Areas Are Widespread

The Crowsnest Pass mining district in this province is a continuation of the same field in British Columbia. It extends from the interprovincial boundary to Burmis. The most important mining centres are at Blairmore, Coleman, Bellevue and Hillcrest.

Proceeding northward along the Rockies, the next important field is in the Brazeau district, where a bituminous coal of good coking quality is mined. This coal basin is about 7 miles wide and extends for a distance of 46 miles in a north and south direction between the North Saskatchewan and the main Brazeau Rivers. The principal mines are at Nordegg.

Farther north is the Mountain Park district, producing a high-grade steam coal, with areas being worked at Cadomin, Luscar and Mountain Park. The Jasper Park district is west of Edmonton and the principal workings are at Brulé Lake. In the Peace River Valley, deposits exist which are considered to be of about the same age as the Belly River beds. In the eastern part, only thin seams have been located but, to the

(Continued on page 18)

Alberta's Coal Reserves Huge

Considered as a single unit, Alberta's known coal reserves are only exceeded by the United States. Furthermore Alberta has more known coal than the entire continent of Europe or South Africa. This statement also applies to South America. Following is an estimate prepared in 1913. Certain readjustments have been made since, but the relative standing of the different areas remain unchanged.

	Millions of Tons
United States	3,838,657
Canada	1,234,269
Alberta	1,075,039
China	995,587
Germany	423,356
Rpssia, Europe and Asia	233,985
Great Britain	189,533
Australia	165,572
Other European Countries	111,195
India	79,001
South Africa	56,849
South America and misc.	38,430
Other Asiatic countries	31,119
The World	7,397,553

Alberta Mines Can Handle 10,000,000 Tons Yearly

Present Production of Less Than 6,000,000 Tons Could be Doubled with Small Additional Expense

Operating under ideal conditions, i.e., 300 days a year, Alberta's coal mines are capable of an annual output equal to that at present recorded by all Canadian mines. A more practical figure, however, would be arrived at by assuming 300 days' operation for the bituminous mines and 150' days operations for the sub-bituminous and lignite mines. Calculating the capacity in this way would give a total for the province of over 10,000,000 tons or nearly 50 per cent. more than the present yearly total.

The following table shows the estimated daily capacity of present mines in Alberta, divided according to the character of coal and coal divisions. As this estimate was compiled about two years ago it is subject to revision, but changes since then do not vitally affect the totals:

Division	Estimated Daily Capacity
BITUMINOUS MINES	
1. Crowsnest	9,920
2. Canmore	1,800
3. Brazeau	4,000
4. Mountain Park	5,500
Estimated total, bituminous mines	21,220
SUB-BITUMINOUS MINES	
1. Crowsnest	60
2. Canmore	10
3. Brazeau	550
4. Mountain Park	3,390
Estimated total, sub-bituminous mines	4,010
LIGNITE MINES	
5. Lethbridge	4,540
6. Medicine Hat	250
7. Brooks	160
8. Drumheller	12,170
9. Ardley	270
10. Pembina	1,300
11. Edmonton	3,960
12. Tofield	1,330
Estimated total, lignite mines	23,980
SUMMARY	
Bituminous mines	6,366,000
Sub-Bituminous mines	601,500
Lignite mines	3,597,000
Estimated Grand Total	10,564,500

Coal at the Pit-Head

An interior scene at the pithead of an Alberta coal mine.

The Alberta Coal Situation in Brief

With Fourteen Per Cent. of the World Reserve of Coal, Province Asks Privilege of Furnishing Fuel to Parts of Canada with No Local Reserves of Coal to Utilize

Alberta has a great national resource in coal, containing as it does known coal reserves, according to the International Geological Congress, amounting to 1,035,629 million tons, or 14 per cent. of the total world reserve; 21 per cent. of the reserves of North America, and 72 per cent. of the coal of the British Empire—a wonderful heritage, as yet almost untouched.

It is only within the last twenty-five years that there has been any real development of the coal deposits of Alberta.

The coals of Alberta vary from black lignite to semi-anthracite in quality.

During the year ending December 31, 1926, the number of short tons produced was 6,508,908. The number of mines, of all kinds, in operation during the year was 341. A very large proportion of this number, however, were small, non-shipping mines which simply serve local needs. This was evidenced by the fact that 275, or 80.65 per cent. of the total only produced 4.12 per cent. of the total output, the other 95.88 per cent. of the coal produced coming from 66 mines.

The average number of men employed below ground was 6,569, and the average number above ground 2,194.

Market for Coal Has Grown

The market for Alberta coal has grown during the ten-year period 1916 to 1926—from 4,648,604 to 6,508,908, an increase of 1,860,304 tons. While the figures are not yet complete for 1927, indications are that a very substantial increase in the production was made this year, and that the output will reach seven million tons. Although the production is not over seven million tons, the capacity of the mines, with present plant and equipment, is approximately thirteen million tons, and all that prevents this full development is the almost complete saturation of markets within present economic freight rate radius.

The two transcontinental railways have been gradually extending the use of the splendid industrial coals of the province, until they now use it on their locomotives as far as the Great Lakes region in the East to a point where it meets competition with Vancouver Island coal near Vancouver.

It is unfortunate that the thickly-populated and present highly-industrialized area of Canada, that is, Ontario and Quebec, is without coal resources, and it is also unfortunate that this section of the country, which now consumes the largest tonnage of coal, is far distant from Alberta coal areas and, as a consequence, both Ontario and Quebec have been dependent on foreign fuel for its supplies.

Seek Freight Rates Remedy

During the past five years strenuous efforts have been made by the governments of Alberta and Ontario to secure special consideration from the railways for the movement of Alberta coal to Ontario at a time when a large proportion of the equipment of both transcontinental railways is idle; that is to say, when the movement of grain from the West has ceased for the season, and it is confidently hoped that the federal government at the coming session of parliament will make it possible by legislation, directed to the railways, to move Alberta domestic coal at least to the markets of Ontario, where the people are most anxious to use it.

The development of the low temperature carbonization processes holds another great promise for the Empire in the coals of Alberta. It has long been known that coals, particularly those of low value in their raw state, are extremely high in value in oils and other by-products, and it is confidently expected that within a very few years a process will be found which will make it commercially possible to produce these valuable by-products from Alberta coal for the use of Canada and the Empire.

EQUIPMENT ORDERS BIG IF EAST BUYS

Mines Will Buy from Eastern Machinery Houses

SPEND HALF MILLION

If Ontario Market for Alberta Coal Can be Assured, There Are Orders of That Sum in Prospect

"We do not spend one cent. outside of Canada for equipment or other supplies as long as such can be obtained from our own manufacturers."

This is the statement made by one of the largest coal operators in the Drumheller field, in speaking of the possibilities for Canadian equipment houses arising out of the opening up of the Ontario market for Alberta domestic coals. Needless to say, it represents the attitude of practically all mine owners.

Busy in East

Alberta is not a manufacturer in the fully accepted sense of the term. Therefore it is to the other provinces, particularly Ontario and Quebec, that the mine operators must turn to for the fulfilling of their needs.

What this means to industry and labor in the East is readily understandable.

On the present scale of production, the coal mining industry of Alberta has an annual outlay for replacements and new equipment of approximately $2,500,000. A large share of this money is spent in the United States.

Increase Buying Power

Alberta aims for a million-ton coal market in Ontario. If this is realized, mines will be kept in operation the greater part of the year instead of only four or five months as at present, Replacement of worn out equipment and the need for supplies becomes more pronounced. Roughly estimated, a further $500,000 will be spent to maintain operations on an economical basis.

Having the goodwill of the mine-owner, the opportunity here available for the Eastern manufacturer of mining supplies, is comparable only to that of Northern Ontario. This is a field which has never been fully exploited. Hitherto, business secured has been of small value and along specialty lines.

East Will Benefit

Manufacturers in the East have opening before them a market of enormous possibilities. Producers of electrical equipment, for example, will greatly benefit. Many Albertan mines are powered by steam. In recent years the tendency has been towards electricity. In time, electric power will become general. And that state of affairs will be hastened by the widening of the market for coal.

A large number of electric motors are now in use in Alberta mines. Their life is short. Hard usage quickly necessitates the purchase of new units. Many operators have been in the market for a dozen motors a year. With increased operations, it is natural to expect that orders will be more numerous and larger than heretofore. And the same ruling applies to other lines of electrical goods.

The machinery industry will be one to derive considerable benefit from enhanced operations. Boilers, haulage equipment and iron and steel machinery of all kinds will be in demand.

MINES READY TO EDUCATE COAL USERS

Realize Ontario Market Problems and Will Meet Them

BUY BY TRADE-NAMES

Consumers Must Learn Brand Names — Transport and Storage Problems Have Been Studied

By JOHN E. LANGDON

The placing of Alberta coal in the Ontario market will not be accomplished without experiencing setbacks, overcoming prejudices and setting up efficient channels for the reception and distribution of the coal from the mine-head to the householder.

Both the Alberta and Ontario provincial governments realize, as well as the mine owners, that many problems will have to be overcome before a firm foothold can be established. Experiences learned in "breaking into" the Winnipeg market will undoubtedly prove of immense value to all parties concerned, but there are the numerous "local conditions which will have to be taken into consideration, studied individually, and the proper methods applied for their solving.

History of Attempts

Alberta coal for Ontario is not a new development. Back in 1918 and 1919 a few individual operators and dealers made a start, but the effort was not undertaken seriously until 1922. In that year it was arranged to have three or four cars of Alberta coal shipped to Ontario to find out whether the people there were interested.

This coal was shipped to government officials and distributed by them. Another shipment was made later in the same year and was distributed practically free to consumers in about quarter-ton lots. The coal was furnished by the mines, freight was paid by the Alberta government, while certain Ontario newspapers undertook the advertising and featured the national advantages of using Alberta coal.

Further shipments have since been made, although only in small lots. Commercial marketing has not yet been undertaken. Within a very short time, it is expected that the Alberta mine operators will be in a position to make regular and larger shipments to Ontario.

Other Factors Involved

Needless to say, the reception of a coal movement from Alberta to Ontario depends for its success upon a great many factors. Markets, like individuals, have certain likes and dislikes which are as well defined as black and white. One of the objections which will be encountered in this move to displace American coal for domestic use is that many people have the prejudiced view that Alberta domestic coal is of an inferior quality and not suitable for use in Ontario.

Elsewhere in this issue will be found a complete report on the relative heating values of Alberta domestic coal in comparison with other grades from the United States and other countries. The mine owners of Alberta, as well as those others interested in this problem, do not contend for one instant that Alberta coal is as good as American anthracite in theoretical heating values, but they do claim that Alberta coal is in every way suitable for domestic purposes and the superior of American anthracite as a coal of practicable value.

Need for Education

This opinion or statement will be doubted by those people who have used nothing else but American coals. They know what American coal will do in all kinds of weather, the way to burn, store it and handle it to get the greatest value out of it. The Ontario householder will have to be

(Continued on page 18)

Ontario Consumers of Alberta's Coal All Well Pleased

Was Distributed to 260 Ontario Points and Householders Universally Expressed Themselves as Thoroughly Satisfied

ONTARIO PREMIER EXTOLS PRODUCT'S MERIT

Tells House of Commons Special Committee That Alberta Coal Burns with Small Ash and Clinker and Has High Heat Content — Coal Dealer Corroborates This Commendation of Western Fuel

When Alberta coal has been brought into Ontario, it has given universal satisfaction. Experimental shipments of coal have been made to Ontario, notably in 1924 and 1925, and these got very wide distribution throughout the province. Under every possible form of practical test the coal proved its merit.

In sworn evidence in 1926 before the House of Commons special committee on the coal resources of Canada, Premier G. Howard Ferguson and others testified to the excellent results obtained by users of the coal so brought down. William Buchanan, a coal dealer of London, Ontario, declared that many of his customers said that if they could be assured of a supply of Alberta coal, they would never buy any more American anthracite.

Meet Anthracite Coal

A significant comment was made by Mr. Buchanan when he was asked "If you were able to sell Alberta coal at $13 in Western Ontario, don't you think American anthracite would follow your price down?"

Mr. Buchanan replied: "No, the American anthracite is pretty well worked out. They are very independent."

Alberta coal gave a great deal of satisfaction in Ontario, declared Premier Ferguson, at this inquiry. "We burned it in hotels, in lumber camps and in private houses and under a great variety of conditions. We distributed to about 240 to 260 points. The verdict, generally speaking, was universally satisfactory.

"The disintegration is very slight. If you get coal from close to the foothills, like the Saunders Creek coal and the Drumheller coal, it is a very good quality and will burn to great satisfaction, with a minimum of clinkers and ash and a very high standard of thermo quality.

Buy Much Coal Yearly

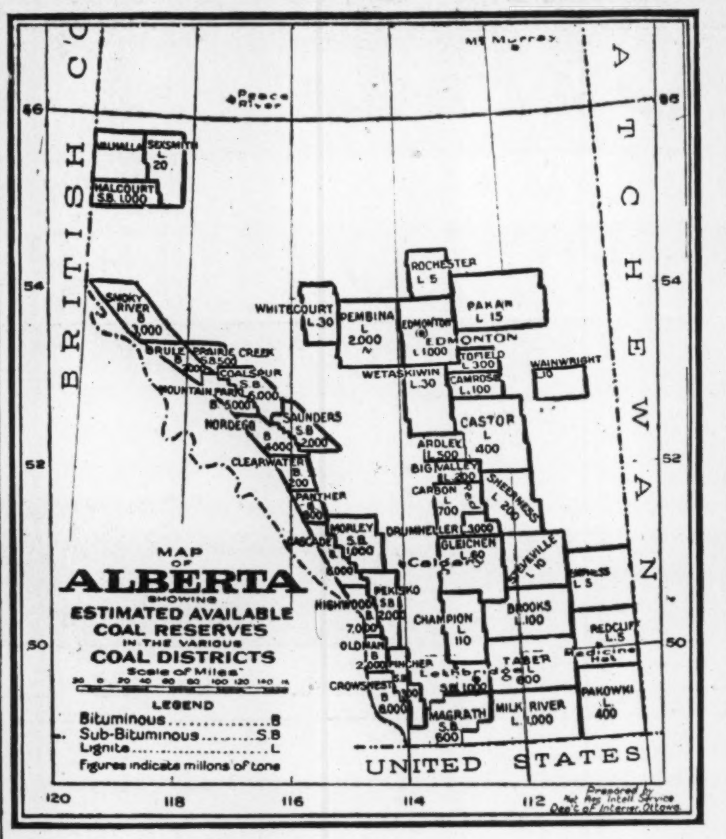
"We buy in Ontario, I think, about three million tons of anthracite for domestic purposes, and about ten million or twelve million tons of other coals for other purposes. That is a huge amount of fuel. If there is any way that money can be retained in Canadian channels, it will be of tremendous value to the Dominion of Canada, because when we send it to Pennsylvania we do not get a cent of it back unless we go after it. It is our idea to retain our own money in the Dominion, and we are exceedingly anxious in Ontario to trade with the east and west. May I say this—not by way of boasting — that perhaps the two central provinces of Ontario and Quebec, in contributions, pay eighty per cent., or eighty-five per cent. of the cost of government, and any losses in freight rates which will be charged to the Consolidated Fund of the Dominion, will have to be repaid, from eighty to eighty-five per cent., by us. Our people of Ontario, for the sake of getting Dominion fuel, and the development of Dominion interests, would cheerfully bear our portion of that extra cost, whatever it would be."

Matter of Education

In his evidence before the committee, J. A. Ellis, fuel controller of Ontario, stated his opinion that Alberta coal at $2 a ton or so less than American anthracite would compete in the Ontario market. Changing public habits was a matter of education. Ontario people were prejudiced in favor of anthracite, but were ready to turn to something else if they got a reasonable chance. Mr. Ellis filed with the committee a large number of letters from coal dealers and consumers expressing great satisfaction with the Alberta coal they had received. The letters, which were highly laudatory, demonstrated that Ontario people who have tried Alberta coal, under an emergency situation, liked it.

Satisfactory Qualities

Dr. Charles Camsell, chairman of the Dominion Fuel Board, also paid tribute to the satisfactory burning qualities of Alberta coal. "People who have bought Alberta coal are satisfied with it. It is a question of price. Alberta coal can be burned satisfactorily with the same equipment as is used in burning American anthracite. It is merely a matter of educating people how to use coal," he said. His remarks have been summarized here.



MINES READY TO EDUCATE COAL USERS

(Continued from page 17)

educated to the Alberta domestic coals.

This is one of the greatest obstacles to the successful placing of Alberta coal on the Ontario market. How will it be overcome? Two methods are opened to the Alberta government and the mine operators — education and advertising.

For generations past the Ontario householder has purchased his supply of coal by size, i.e., egg, nut or lump, anthracite, cannel, etc. Grades figure little in his buying habits; usually not at all. Only the dealer has any idea where the coal was mined and, at times, even the dealer does not know that. Therefore, the purchaser of American coal is dependent upon his dealer to supply him regularly with a good grade of coal.

Must Learn Trade Names

While this system is simple, it is by no means the best. When Alberta coal is offered for sale, the Ontario householder will not be able to buy his winter supply in the same manner. All the western coal is sold under distinctive and registered trade names. The same will apply to Ontario. Coal from the western province will not be sold in Ontario as Alberta coal, but under the name of the mine. Thus, for a time, the Ontario householder will have to accustom himself to this new method when buying his supply of Alberta coal.

What coals will he know are best suited for his purpose? The mine now had the same problem in Winnipeg. By extensive propaganda and advertising the people of that city have gradually been made familiar with the Alberta coals, and in time they have found it no more difficult to buy supplies under trade names than formerly when they telephoned their dealer and asked for American coal of such and such a size.

Advantages for Consumer

The advantages in buying coal under trade names greatly benefit the purchaser. When a type of coal has been found suitable, it is no more trouble to ask the dealer to supply it than to ask for some nationally advertised brand of food, clothing, etc. The consumer will always be assured of a uniformity of quality which is not present in American coal. He becomes a regular purchaser of the product of a particular mine and not of a whole district or several districts, for there is just as much difference between the coal of one mine and another, though only separated by a few miles, as between the different grades of flour.

Naturally it will take time to educate the people of Ontario to this method of buying. Large sums of money will have to be spent in bringing about the desired results, but the benefits accruing will include a saving in dollars and cents to the consumer and a larger demand for its products by the mine offering and maintaining the right quality of coal.

Curbing Unsuitable Coals

Another problem which will have to be met and overcome is that of keeping out of Ontario coals unsuitable for domestic consumption. It is not, and never has been, claimed that all Alberta coal is suitable for shipment to eastern markets. Some of it is of a very low grade; others break up easily and will not stand up under frequent handling.

In this regard the Ontario government can provide a service of real value in promoting the movement of Alberta coal to its province.

In 1925 the Alberta government passed the Coal Sales Act. This was designed to protect the buyer through the prevention of the substitution of one coal for another, an evil which, in the past, had been a disturbing factor in the market.

Briefly, that act requires the operator of every mine to have a registered trade name for his coal, under which all coal from that mine will be shipped and sold. Any advertisement must carry the registered trade name. All invoices, shipping bills and weigh tickets must show the registered name of the coal, the name and post office address of the mine, the coal area in which it is situated and the size of the coal.

Must Keep Records

The act further provides that every dealer, whether wholesale or retail, selling coal produced in Alberta, shall keep a record of the amount of coal purchased by him from every mine in Alberta and the amount of the sales of coal so purchased.

Inspectors are appointed under the act, who have the power to examine the documents and coal to see whether the coal conforms with the information on the documents. Various penalties are imposed for any infringement of this act.

At this time it seems worth while for the Ontario government to pass a similar act. It is felt that the mine owners of Alberta would welcome such a piece of legislation, for not only would it result in the prevention of the public being victimized through unscrupulous dealers or their own ignorance of Alberta coal values, but it would put a stamp of approval on the whole movement, which would go far to popularizing the use of Alberta coal.

As for the physical handling of the coal, only minor troubles are expected to crop up. The mine owners, through experience in marketing their products throughout Alberta, Saskatchewan and Manitoba, are fully conversant with conditions and needs.

Loss in Handling

Great care will have to be exercised, though, in shipping the coal to Ontario. By an all-rail movement the amount of loss through breakage, slack, weight, etc., will be considerably greater than for the shorter shipments. This fact has been discounted to some extent and, by the knowledge gained from experimental shipments, this phase of the work will be more easily handled as the movement gets under way.

Through years of educational work, Ontario consumers have grown accustomed to purchasing their winter coal supplies in the summer and fall months. This is an excellent state of affairs from the standpoint of the Alberta mine owner, as he will be able to keep his property in operation after the usual period is closed down. There is, on the other hand, the problem of storing the coal. Much of the Alberta coal will move east early in the year, and it will have to be stored for several months. Then, again, a regular and adequate supply must be kept on hand to supply the needs of those people who buy in small lots.

Have to Store Coal

Some attention has been given to this question. Dealers in Ontario usually have adequate storage facilities for their own needs, but the mine operators who do not establish a direct connection with dealers having this facility will have to store his coal in his own or public bins.

Summer storage involves a certain amount of expense in providing storage space, in paying interest on the money tied up, as well as risking some slight damage of deterioration. All these are factors which the mine owners will have to contend with. Experience will soon show the loss that will have to be borne.

Weather Governs

The rate of deterioration depends upon the weather. The general conclusion reached after a number of tests was that Alberta domestic coals should be kept under cover of some sort. Undoubtedly the best storage is in the consumer's basement; and there even the lowest grade of coal will store well for a season. The latter is highly important and should be borne in mind by every potential user of Alberta coal.

At present there are many methods of handling the sale of coals from Alberta mines. Some sell through one large organization; others let three or four or more different selling organizations handle their coal, and some sell their own product. During the initial period of the entry of Alberta coal on the Ontario market on a commercial scale, distribution will likely be made through recognized dealers. In this way a more extensive distribution can be secured at a minimum of cost.

One phase of the marketing which will have to be watched with extreme care is to see that the mine owners do not ship their coal to Ontario on consignment. The attempt to create a consignment market in Winnipeg was far from being a paying proposition; in fact, some shippers suffered heavy financial loss.

Shipment by consignment invariably results in the accumulation of "distress coal," and disrupts the market. It is to be avoided at all costs, and through co-operative effort between the shipper and the distributor this can be eliminated.

Only Asks Fair Trial

Alberta is only asking a fair trial of its coal by the Ontario coal consumer. It believes that, given fair treatment, the coal will meet all the requirements demanded. If this proves to be the case, then Canada will have gone a long way toward solving the problem of the "acute fuel area."

ALBERTA RESERVES WOULD LAST FORTY THOUSAND YEARS

(Continued from page 17)

west, seams two feet thick have been found.

Quality Varies

The Belly River coals, which lie next above those of the Kootenay formation, cover an area of about 16,000 square miles in Eastern and Southern Alberta. In quality they grade from low-grade bituminous to bituminous. They are widely distributed, the more important deposits mined being located at Lethbridge, Taber, Saunders Creek and Coalspur. South of Coalspur there is so little overburden that mining is carried on by steam shovel.

Coals of the Edmonton formation, which lies above the Belly River formation, also have widespread distribution, the available deposits being estimated to cover an area of 52,405 square miles. The principal fields being worked in this formation are Drumheller, Edmonton and Pembina-Wabamun. The character of the coal changes from lignite in the extreme north-eastern areas to a good coking coal in the foothills area. The Drumheller field produces a high-grade bituminous coal that will stand handling well. From a production standpoint, this field is the most important domestic coal field in Alberta.

Coal in All Sections

Thus it will be seen that underlying practically all of the accessible area of Alberta is one tremendous deposit or deposits of coal of varying quality. To date, only the "surface" has been scratched. At the present rate of production the known coal reserves would not be exhausted until at least 18,428 A.D. Similar calculations could be made without end. The all-convincing fact remains, however, that Alberta and the rest of Canada does not need to worry about a future coal supply.

FOOTHILLS COAL
The leading domestic Coal from Alberta
Mined by
FOOTHILLS COLLIERIES LTD.
FOOTHILLS, ALTA
General Sales Agents
WINDATT COAL CO. LIMITED
WINNIPEG, MAN.

A Million Saved To Canada
MILLIONS of dollars of our Canadian money are being sent, each year, to the United States to buy coal. If a suitable freight rate can be established, whereby Alberta coal can be shipped to Ontario, the greater part of this money would be kept in Canada, and a large portion of the same would be distributed in Alberta.
We design and manufacture all kinds of Coal Mine Machinery and Equipment
Riverside Iron Works
LIMITED
Calgary - - Alberta

LAKESIDE COALS
LIMITED
HEAD OFFICE
EDMONTON, ALBERTA
WE MINE coal which has proven most satisfactory to the Ontario domestic consumer.

An Association of Operators, Wholesalers and Retailers Mining and Marketing Western Canada Coal

The Objects of the Association

THE stabilization of all branches of the coal industry, mining, wholesaling and retailing, by which, through co-operation, conditions may be improved and the highest services rendered the consumer. The Western Canada Fuel Association was organized in 1921, at which time it included only retail dealers in its membership. However, in order to enlarge its scope and have an effective organization which would represent the trade as a whole, its constitution and by-laws were redrawn so as to include both operators and wholesalers, and approved at our Annual Convention, held in Saskatoon, Sask., in May, 1927. This to establish a closer co-operation, and while working to the benefit of each individual section, serve as a medium through which the trade could be united for a common good.

Making Knowledge Common to All

THE world over, industry is discovering that knowledge must be made common to all; that the best brains of any industry must be pooled to meet competition; that ideas must be exchanged; that efficiency for an industry cannot be achieved by each unit pursuing a course or disorganized selfishness, without standards or ideals or common policies. Certain policies common to all help, if honestly pursued, to stabilize the whole industry, and lead to the greater prosperity of each unit. With this realization there was organized the Western Canada Fuel Association, whose Head Office is situated in Winnipeg, geographically the centre of the Dominion of Canada and the meeting point of East and West.

Extending the Markets for Canadian Coal

REPRESENTING operators, wholesalers and retailers of the Western coal industry, this Association has for one of its main objects the extending of the market for Canadian coal. When we consider that Canada, with 14 per cent. of the world's known coal resources, produced in 1926 less than half of our total requirements, and that the amount spent for foreign fuel including transportation charges amounted to approximately $100,000,000, which, estimated on a conservative basis, would directly and indirectly provide employment for another million population, does it not seem economically sound that it would be to the best interests of our country to develop our own coal resources by adopting a National Coal Policy. During 1926 it would appear that foreign capital derived greater profits from selling coal in Canada than did Canadian capital. More men were employed outside Canada mining coal for use in this country than our own mines could find work for. Would this not suggest that it is to our advantage for every Canadian to support the policy of Canadian Coal for Canadians?

WESTERN CANADA FUEL ASSOCIATION

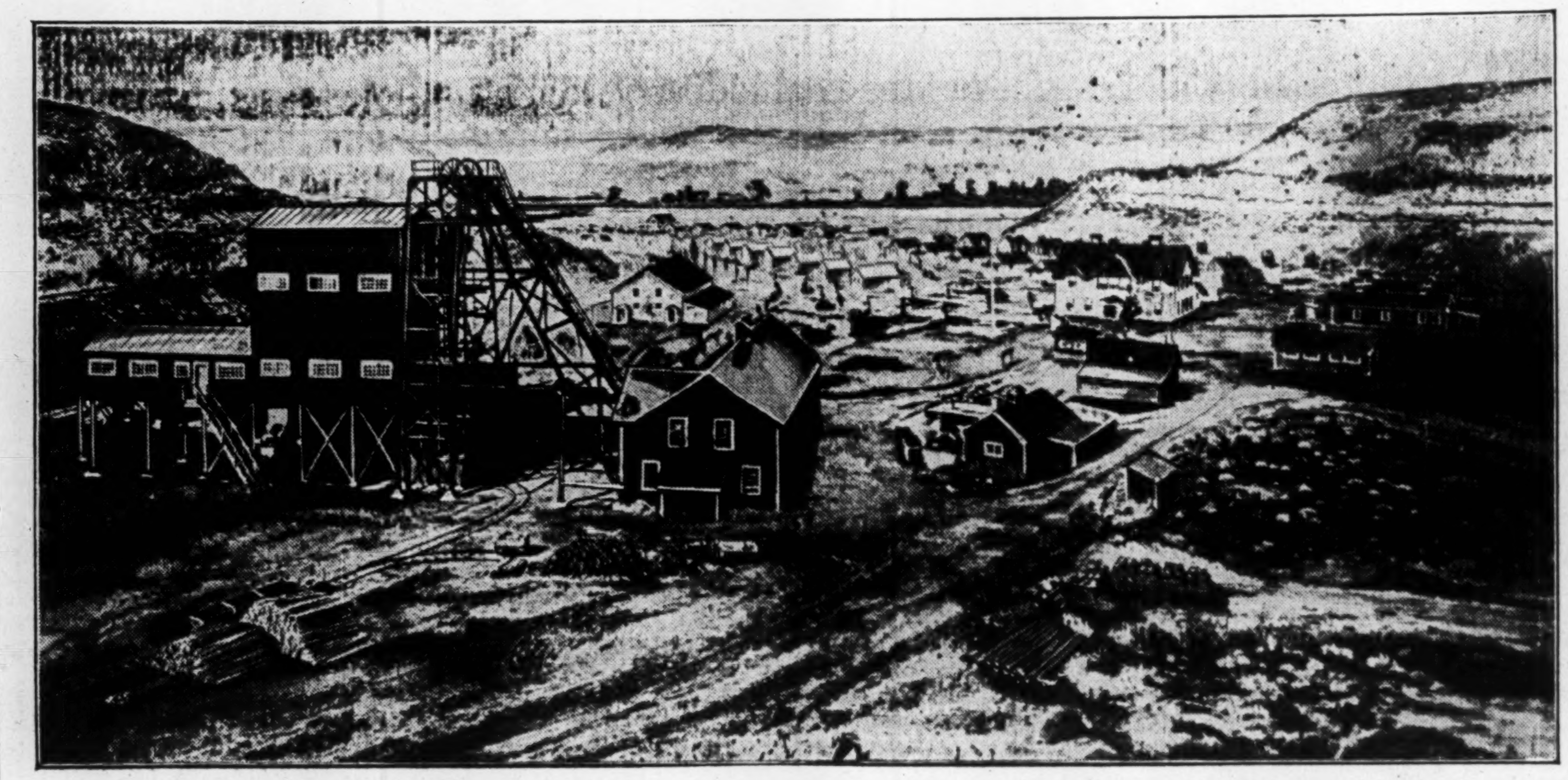
222A Phoenix Block Winnipeg, Manitoba

A National Coal Policy Means

Canadian Coal for Canadian Citizens

With Resultant Increased Wealth to All

No expense has been spared in equipment to ensure the best coal procurable. It is worthy of note that this mine has the only all steel mine tipple in Western Canada.



Home of High Grade Householders' Coal — General view above ground of the Rosedale Mine and Camp

The comfort and security of its employees is a factor to which the Great West Coal Company, Limited, have given the utmost attention, and no expense has been spared in securing this result.

Rosedale Star Champion

Four Thousand Tons Daily Capacity Production

AMONG the various modern systems that make for efficiency of handling, and a quality commodity is the adoption of electrical coal cutting and mining methods. The mine is also equipped with the most modern horizontal screening equipment, and it has belt conveyor car loading facilities. No expense has been spared in procuring the most modern and complete equipment to assure a uniform Standard product of the highest quality.

Rosedale, Star and Champion coals will heat Ontario homes with perfect satisfaction to the user, and at a lessened cost that will accrue to the benefit of the consumer.

The Great West Coal Company, Limited, is in a splendid position to give a prompt response to any demands made upon it, and the quality of its product is attested by the past records of the company.

Undoubtedly a sound and nation-wide coal policy that will result in putting Canadian coal in all the consuming markets of the country, will not only be a benefit to this great Canadian industry, but will result in materially reduced costs to the consumer, and all the other advantages that come to a country that is becoming more and more self-supporting.

Great West Coal Company

Limited

Miners and Wholesale Coal Dealers

Winnipeg Brandon Saskatoon Calgary

Albertans Claim Coal is Excellent Decry "Lab" Tests

Dominion Fuel Board Tests Show Higher Fuel Content in American and Scotch Anthracites and Considers Them Better Coals

ACTUAL USE SHOWS ALBERTA COAL'S MERIT

Producers of Western Coal Point to Greater Efficiency of Their Commodity When Burned by Householder Under Normal Conditions, and Are Ready to Stand Behind Their Claims

By JOHN DUKE

Not only is Alberta coal a very desirable domestic fuel for Ontario, but it is an economical fuel as well. This is the contention of Alberta coal producers, and one that they support very ably by proofs based on analysis and experience.

Chiefly through lack of personal experience with this western fuel, Ontario householders are, largely, uninformed as to the differences between Alberta coals and American coals, and as to the relative merits of each.

Have Anthracite Habit in East

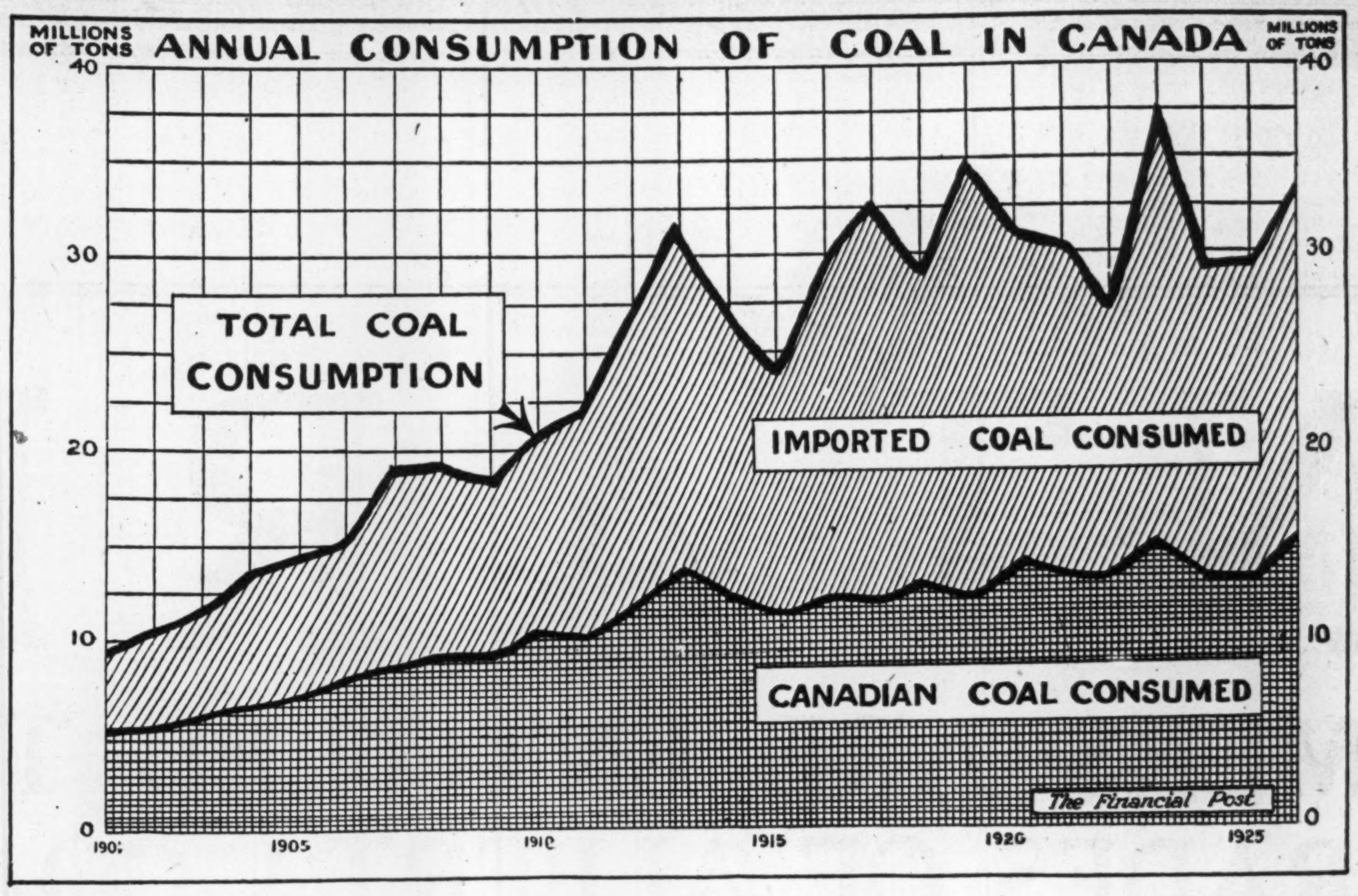
Through years of buying United States anthracite they have developed the habit of using that fuel. But habits can be broken; comparative economy works speedily to break those habits when householders get down to a dollars and cents comparison of their fuel costs in burning American coals and Alberta coals. This readiness of the householder to accept new ideas in regard to domestic fuels, when it has been demonstrated that it is to his advantage to accept such ideas, has had ample proof in Canada.

In Eastern Canada there has been a very large increase in importations of Welsh coal, which is now practically the primary fuel of the Montreal home.

Use More Coke

In Ontario, many thousands of tons yearly of United States anthracite have been replaced by coke, which is growing in popularity. And "Pocahontas" coal is also coming in, although it seldom was used in Ontario furnaces until a short time ago.

In Winnipeg, which once heated its home entirely with American anthracite coal, Alberta coal has won an unchallenged supremacy.



It is apparent, then, that if Alberta coal can demonstrate its worth, it will win a large share of the Ontario market. Of course, price is a large factor, but in considering this question we may make our comparisons on the assumption that Alberta coal can be laid down in the Ontario cellar at possibly $1 to $1.50 less than United States anthracite coal and at about $1 to $1.50 more than Canadian coke or American "Pocohontas" coal.

Tests by Government

The Dominion Fuel Board, a government body under the Department of Mines and the Department of the Interior, and the Mines Branch, have both published the results of the comparative fuel values of different kinds of coal.

In 1925 the Mines Branch conducted a series of extensive investigations into the qualities of different fuels. In their laboratory tests they came to the conclusion that Welsh anthracite is the most economical fuel and that all the Alberta fuels, with the exception of Alberta semi-bituminous coal, require from 12.96 to 16.73 tons to equal 10 tons of American anthracite. It was admitted by the Mines Branch that the comparison was based on a single series of tests and the results, therefore, might not be applicable to all types of furnaces. "It is safe," they said, "to take the results as a rough comparison of one fuel with another."

In greater detail the tests gave the results shown below. The table shows the number of tons of different kinds of fuel required to raise the same heat derived from ten tons of American anthracite coal:

Fuel	Equivalent tonnage to 10 tons of American anthracite
American anthracite	10.00
Welsh anthracite	8.39
Scotch semi-anthracite	8.54
Gas coke	9.84
By-product No. 2	9.07
By-product No. 3	9.53
By-product No. 4	9.49
American smokeless, semi-bituminous No. 1	9.63
American smokeless, semi-bituminous No. 2	9.67
Alberta semi-bituminous	9.89
Alberta sub-bituminous No. 1	12.96
Alberta sub-bituminous No. 2	13.65
Alberta sub-bituminous No. 3	13.99
Alberta domestic No. 1	15.05
Alberta domestic No. 2	15.32
Alberta domestic No. 3	14.93
Alberta domestic No. 4	15.37
Alberta domestic No. 5	16.73
Air-dried, machine peat	21.95

A rough average of the Alberta figures was taken in calculations used in a memorandum prepared by the Dominion Fuel Board and printed by the order of Parliament. This indicated that 1.3 tons of Alberta domestic coal was necessary to equal one ton of American anthracite.

The memorandum then went on to state regarding Alberta domestic coals:

"The extent to which Alberta domestic coals will feature as a household fuel in Ontario depends entirely upon freight rates, with possibly some reduction in mining costs. The lignite and sub-bituminous coals of Alberta are excellent household fuels. Under special arrangement, shipments were brought down to Ontario on three occasions and the coal was distributed to about 250 places in that province. The great majority of the people in Ontario who used it were quite satisfied with it as a replacement for anthracite. Owing to the freight rate, however, which is consequent to a 2,000-mile haul from the Alberta coal fields to the consuming areas in Quebec, this coal has not been able to establish itself in permanency in the eastern markets.

"The question of revising the freight rates has been prominently before the public in connection with this matter. It has become popularly accepted that should the Board of Railway Commissioners be able to place a $7 freight rate for the movement of Alberta coal to Ontario, the question will be satisfactorily settled. The fixing of a freight rate is a matter for freight tariff experts to decide, but if we could assume that a $7 rate were granted, and that this rate would enable Alberta domestic coal to move to Ontario and hold its place in the market against competing fuels, then so far as domestic fuel supplies are concerned the problem in our acute fuel area would be solved.

"But there can be no guarantee that a $7 freight rate would be the panacea for this trouble. Taking into account the price at the pit-head in Alberta, the laid-down cost in Ontario would be about $10.75, and when $2.50 to $3 for dealer's spread is added, the cost to the consumer would be $13.25 to $13.50 per ton. As already mentioned, there would be competition from the low volatile coals from West Virginia — coals which have sold in Toronto at $12 per ton; there would be competition from Domestic coke and from American anthracite. The coke and the anthracite are now selling at a price higher than that quoted as a retail price for Alberta coal, but taking into consideration the difference in heating efficiency, they are, on the basis mentioned, relatively cheaper fuels to the consumer.

"In the the final analysis, the test of the ability of Alberta domestic coal to permanently occupy an important place in Ontario markets must rest upon the price at which it is offered to the public. Should an import duty, however, be placed on foreign coal to a point that would exclude importation of American coals, the matter would assume a different complexion.

"Although Alberta coal has not figured to the extent that we all desire in replacing American anthracite in Ontario and Quebec, notable accomplishments in this respect have been achieved in the Province of Manitoba, particularly in the City of Winnipeg. Until a few years ago the situation in Winnipeg was much the same as in Central Canada—American anthracite was the staple domestic fuel. Through the activities of the Alberta Government a campaign to extend the use of Alberta coals throughout Manitoba was inaugurated and this creditable effort resulted in Alberta domestic coals dominating the Winnipeg markets to the practical elimination of American anthracite."

This comment by the Dominion Fuel Board is decidedly luke-warm, but is presented in full as an indication of the viewpoint of that body, which considers the fuel problem from a purely national economic viewpoint.

Other Side of Story

Decidedly, if the tests of the mines branch and the viewpoint of the Dominion Fuel Board were the final word on this question, the problem of putting Alberta coal into the Ontario market would be very serious, in fact, nearly insurmountable. But they are not the last word, and very strong replies have been made by Alberta coal producers.

These producers do not accept a purely theoretical test of comparative fuel values as convincing. They point out that American anthracite coal cannot be made by the ordinary householder to produce the same high percentage of actual heat value as does the freer-burning, more easily managed Alberta coal, and actual results to the householder under ordinary conditions, not laboratory analyses, are the determining factor, they declare.

In replying to the Dominion Fuel Board report, the Canadian Coal Publicity Committee said:

"It must be pointed out that the flexibility of Alberta domestic coals, in ordinary domestic service, is much greater than that of American anthracite. Every heat unit in Alberta domestic coals can be delivered to the householder, under ordinary conditions, in the form of heat; whereas even the strongest propagandist of American anthracite freely admits that there are losses in burning of American anthracite except under ideal conditions. It is not the theoretical heat units in coals which count, but those which can be delivered in the form of heat. The purchase of firewood for the kindling of American anthracite is also quite a serious item, whereas with the free-burning Alberta domestic coals two or three small twigs are all that is necessary."

The Alberta coal operators do not fear such American coals as Pocahontas and Red Jacket, and their reply said: The point is made that Alberta domestic coals would have to compete with the low-volatile coals of West Virginia, now sold for $12 per ton, and anthracite, which is now selling at a price higher than the price at which Alberta coal has been sold in Ontario. The point is stressed that through difference in heat units, on the theoretical basis, anthracite was a relatively cheaper fuel for the consumer to buy.

Can Reduce Prices

"Pithead prices in Alberta are quoted as $3.75. While this price is reasonably correct, the high cost of production in the Alberta domestic fields is due largely to seasonal occupation. It is well known that whether a mine is actually producing coal or not, practically every operation must be carried on in addition to the capital costs, interest charges and overhead. The elimination of seasonal occupation, which could be brought about by doubling the present market for Alberta domestic coal through the elimination of anthracite in the Ontario market, would make material all-round reductions in production costs of Alberta domestic coals and make them still more economic than the present comparisons.

"Repeated practical tests

(Continued on page 23)

Western Gem

A Perfect Domestic Coal from Drumheller

Lump and Stove Sizes

A Coal of Many Advantages

WESTERN GEM domestic coal offers to the public many important advantages that are worthy of careful consideration.

Western Gem is a smokeless coal so obviating the loss that comes from incomplete combustion. It does not make any soot or dirt, and for that reason it is a more satisfactory fuel. Western Gem burns with a long flame to a clean, fine ash.

This grade of coal positively has no equal for use in furnaces, fire places, cook stoves and ranges.

This SUPERIOR QUALITY COAL is prepared by the most modern screening plant in Western Canada.

Produced by

The Western Gem Coal Company, Limited

Drumheller, Alberta

SOLE DISTRIBUTORS

The Winnipeg Supply and Fuel Company

Limited

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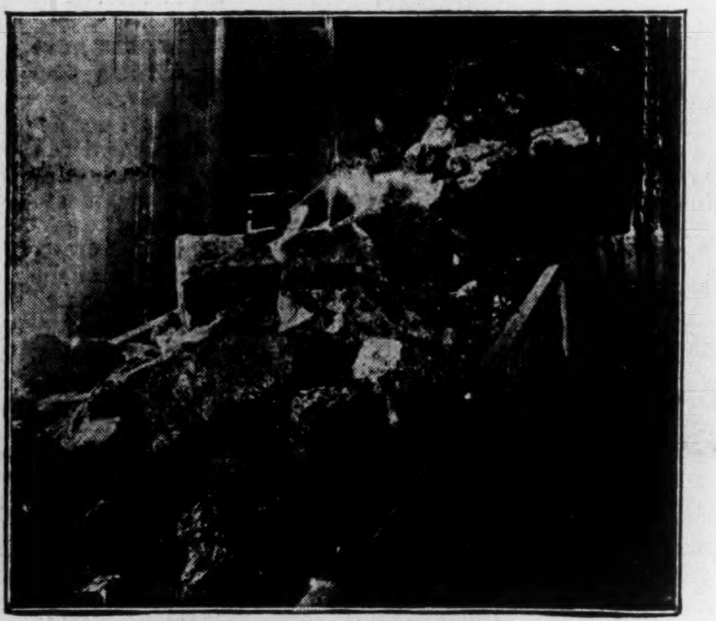
ONTARIO

CONSUMERS ARE ENTITLED TO THE BEST GRADES OF ALBERTA COAL. WE SHIP ONE BEST COAL FROM EACH FIELD



MIDLAND LUMP

IMPERIAL LETHBRIDGE

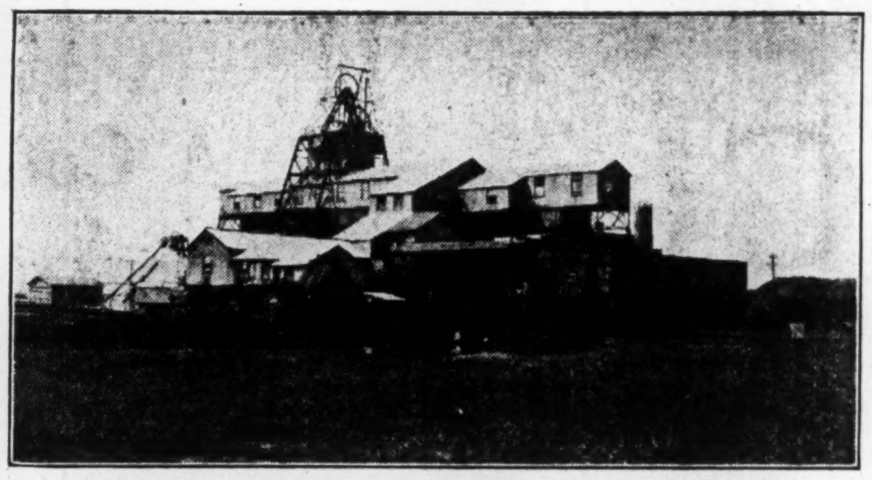
MIDLAND DRUMHELLER

PEMBINA PEERLESS EVANSBURG

BLACK DIAMOND CLOVER BAR

PEMBINA EGG

CHASE AWAY CLINKERS AND SOOT



LETHBRIDGE IMPERIAL MINE

CLEAN CANADIAN COAL WILL DO IT

15,000 ALBERTA MINERS ARE WAITING FOR YOUR ORDERS

WE CAN COAL CANADA

PROSPERITY BREEDS CONTENT

15,000 ALBERTA MINERS WANT STEADY WORK

ORDER BY THE REGISTERED TRADE NAME

COAL SELLERS COMPANY

LIMITED

CANADA'S COAL DISTRIBUTORS

HEAD OFFICE - CALGARY, ALBERTA

ALBERTA MEMBER FEELS RAILWAYS CAN MOVE COAL

L. H. Jelliff Puts it Up to Them to Make Movement Possible

By L. H. JELLIFF, M. P. for Lethbridge
Extracts from speech in House of Commons

On some matters the people are united in opinion from the Atlantic to the Pacific. and if there is one issue among those mentioned upon which there is unanimity, it is that rates should be fixed by our railways which will carry Canadian coal from Nova Scotia and Alberta to Central Canada, and so solve this coal problem.

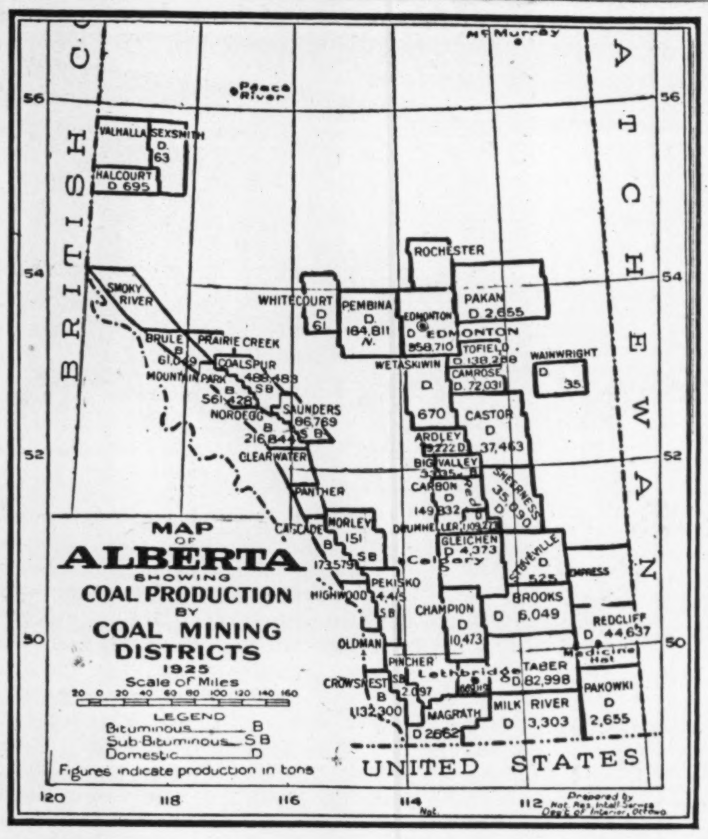
I have a particular interest in this problem as member for the Lethbridge constituency, which is one of the large producing coal sections of this country. I have an estimate from the Lethbridge Herald of the wealth produced during the past year in the Lethbridge freight district:

Wealth production of the Lethbridge division of the Canadian Pacific Railway in 1927:

Wheat	$44,000,000
Other grain	6,000,000
Sheep and wool	1,800,000
Cattle and hogs	5,750,000
Poultry and poultry products	2,250,000
Dairy products	4,000,000
Potatoes and vegetables	1,250,000
Hay and feed	2,000,000
Honey	50,000
Total agricultural products	$67,100,000
Coal, oil and gas	$11,500,000

Coal Production Second

The coal production is second only in value to the great grain production which we have in that district. We have a large coal mining population; some of our mines are turning out 200,000 tons to 250,000 tons per annum, such mines employing from four to five hundred men. Consequently the problem of the movement of coal is a most serious one in that district. It is even more serious for Alberta as a whole.



I am looking at this problem from the human standpoint, the standpoint of employment for the men of that province.

There are employed in the mines of the province, underground, 8,669 men, above ground, 11,365—a total of approximately 20,000 men. Now, multiply that by five to represent the families of these miners and you have 100,000 people in the province whose livelihood depends upon the mining and transportation of coal. In other words, one-sixth of the entire population of the province are intimately concerned, and to them it is a very serious problem. The men are engaged for only half of each year. Beginning in February and continuing through March, April, May, June, July and August until some time in September, the mines are practically idle, the miners are thrown out of employment, and at once we have a serious problem on our hands.

Rate to Move Coal

What we want is a rate which will move the great coal resources of Alberta and make them available for the people in the Province of Ontario. I am in favor of a statutory rate for this purpose, and I am here to advocate it to-night. I do not want to embarrass the head of the Canadian National Railways and the Canadian Pacific Railway. I am interested in the success of those two great railway systems comprehending within their mileage, as they do, twenty-two thousand and seventeen thousand miles respectively; but I believe the executives of those railways can make rates that will move our coal to Ontario.

The railways say that they cannot do what is suggested. In my boyhood days I heard a saying, which is attributed to Cardinal Richelieu, "In the lexicon of youth there is no such word as fail." I want to commend that saying to the presidents of our great railways. I do not believe we have yet reached that point where we have secured the highest efficiency or economy in the transportation of commodities in this country. I can remember the early days in farming in Alberta when we thought that a car that would haul 600 or 700 bushels of wheat to the market was doing us a pretty good service. Later on larger cars, which conveyed 1,200 to 1,300 bushels, were built. They were succeeded by cars carrying from 1,500 to 1,600 bushels. and to-day cars are operating on those lines that carry 2,000 bushels of wheat to the market. Also in place of the inferior engines of thirty years ago we have the great mogul engines of to-day. Transportation is developing; it is not at a standstill.

Puts It Up to Railways

I believe that these railway companies, with their efficient presidents and with the inventive genius which must exist in the ranks of their employees, can find a way of moving that coal, and moving it at a rate which will enable us to use Alberta and Nova Scotia coal and thus be independent of outsiders in the matter of our coal supply. The people of Canada are insisting upon the solution of the coal problem, and, so far as I can see, this is the only way to solve it.

Alberta is the greatest coal producer in the West and in 1926 the mines in this province produced 6.50 million tons of coal including 3.15 million tons of lignite, 2.86 million tons of bituminous coal and 0.49 million tons of sub-bituminous coal.

UNWISE TO DEPEND ON U.S. SUPPLIES AS MUCH AS NOW

Professor Leacock Says Americans Could Freeze Us Out

By PROF. STEPHEN LEACOCK, of McGill University

The central feature of our fuel problem is that, while we possess an adequate coal supply, we cannot use it. If we leave economic forces to the unimpeded play of the market we must continue indefinitely to draw from the United States this importation of what is one of the essential bases of national life.

Are we wise to do this?

I am not one of those who hold too rigidly to the notion of a trade balance, or who fear to expend abroad money that might be kept at home. It is quite clear that if we never buy we can never sell, that import and export go together, and that economic isolation means industrial paralysis and arrested growth. Trade is, and must be, two-sided.

Too Great Dependence

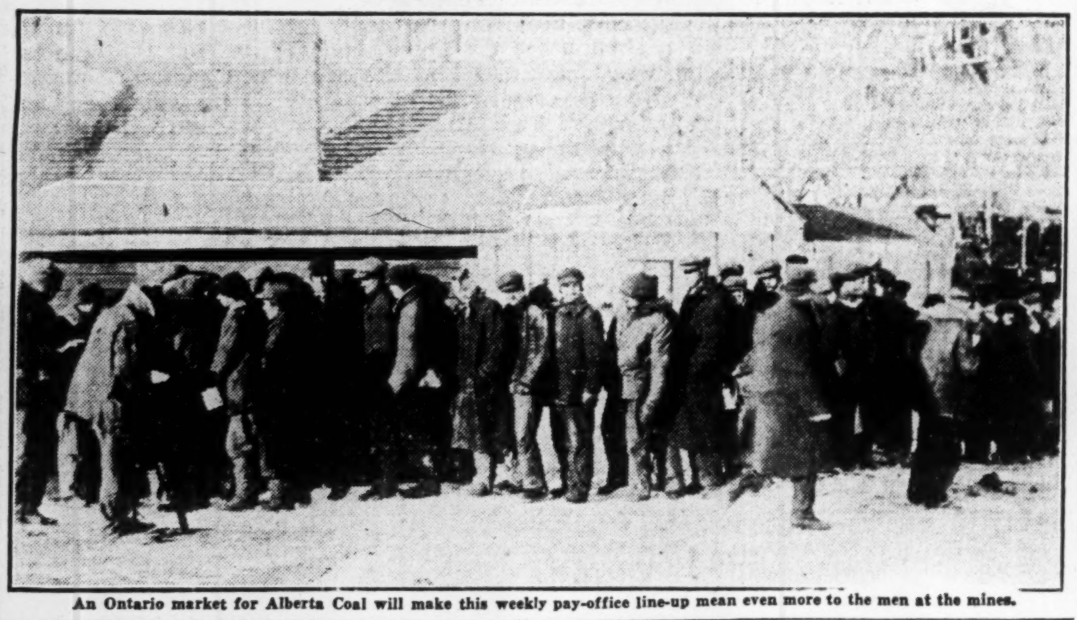
But the case in question rests upon other grounds and touches more vital spots in our national existence. The present coal situation places us in a position of too great economic dependence upon the United States. It means that our economic life can be subject to a peculiar pressure, to something like a strangulatory pressure, if the United States sees fair to exercise it. To put it simply: if they like, they can freeze us out.

It is as foolish as it is futile to harp upon the possibilities of ill-feeling or open hostility between us and the United States. Those who do so perform an ill service to both countries. But with every friendliness and good will it is the part of common sense that no community should allow itself to be too greatly dependent upon its neighbors.

Supply Ourselves

In many quarters it is warmly claimed that the present disadvantage, under the stimulus of a change of policy, might pass away; that with the development of our own resources and the further organization of our own market and our transport we shall be able to supply ourselves from our own coal fields as cheaply as we can from abroad. If this can be established the problem itself will one day disappear.

Pay-Day at the Mines



An Ontario market for Alberta Coal will make this weekly pay-office line-up mean even more to the men at the mines.

ALBERTANS CLAIM COAL IS EXCELLENT; DECRY "LAB" TESTS

(Continued from page 21)

by consumers of Ontario have proven that the better grades of Alberta domestic coals on a practical basis are as efficient as is American anthracite, and many letters have been received stating that Alberta domestic coals are more than equal to anthracite. The use of anthracite in the City of Winnipeg has practically been eliminated and has been replaced by Alberta coal; not because of the difficulty of securing supplies of anthracite, but due to the fact that Alberta coal is giving greater satisfaction.

"It must be remembered that winter conditions in Ontario are usually less severe than in the western provinces, but there are occasionally very severe fluctuations of temperature, during which time the speed with which heat can be generated is a very important factor. It is well known to all users of anthracite coal that it is hopeless to attempt to build a fire or revive an old one within a reasonable time, one hour at least, and this not without the addition of considerable hardwood and kindling; whereas with Alberta domestic coals, owing to their light volatiles and consequent ease of ignition, heat can be secured by gently shaking the fire and adding a light sprinkling of small coal; in ten minutes there is a bright, clear fire.

"It is also important to stress again the fact that, because of the ease with which the volatile content of Alberta domestic coals are released, with practically no experience on the part of the householder in firing, every single heat unit is released in the form of heat and in the same type of furnace as is in general use in Eastern Canada. There are no ashes to sift, in fact there is comparatively little ash and that usually in the form of almost impalpable dust, whereas with anthracite, if one desires to be in any way economical, all ashes must be sifted and reburned.

Burns to Last Ash

"It is well known that Alberta domestic coal burns to its last ash without going out, or having to be relighted. Because of this, little kindling is required, whereas in the case of anthracite, once the fire is built, it must be maintained at a steady heat or else it goes out. These advantages so completely offset the very small theoretical advantages of anthracite that they actually give Alberta coals a distinct advantage in efficiency over anthracite under ordinary household conditions.

"As to so-called smokeless American industrial coal, the experience of Alberta and Manitoba has been that the householder, except under the most exceptional circumstances, will not use an industrial coal for domestic purposes, as it requires much more careful study and greater efficiency in firing; there is also the everlasting smoke and soot nuisance which prevents its popularity."

Do Not Admit Disparity

It might also be pointed out that Alberta coal producers do not admit that even the theoretical disparity in the coals is as great as the Dominion Fuel Board report had it. They say:

"In Bulletin 119 of the U. S. Bureau of Mines 'Analyses of Coal Purchased by the Government During the Fiscal Years 1908 to 1915,' the average analyses of American anthracite as purchased by the U. S. Government during this period is given as 12,430 B.t.u. It is well known that since 1915 there has been a falling off in heat values due to a much increased ash content. Bulletin No. 25 of the Dominion Department of Mines, 'Analyses of Canadian Fuels', Part 4, gives the following figures:

Area	B.t.u.
Saunders Creek	11,676
Coalspur	10,784
Drumheller	9,800
Lethbridge	10,713

"A comparison on this basis, therefore, brings the following result:

	Tons
Saunders Creek (equal 1 ton Am. anth.)	1.06
Coalspur	1.14
Lethbridge	1.13
Drumheller	1.26

"Not 1-1/3 tons as stated in the report.

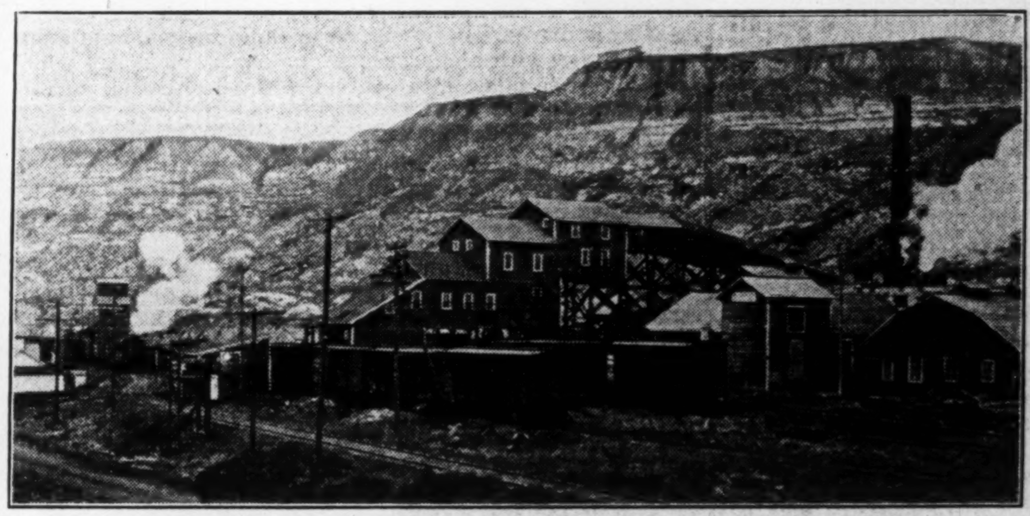
"These figures can be duplicated in many other districts in Alberta.

"These are authoritative figures as published by the Federal Department of Mines. The anthracite figures are published by the U.S. Government, and, therefore, must be accepted as correct."

Ontario's Climate Helpful

Ontario's climate is ideally suited to a coal having the peculiar domestic qualities and flexibility which the Alberta coal possesses.

UP TO DATE EQUIPMENT THROUGHOUT



Group of Mining Buildings at Rose-Deer Mine

CAPACITY 1400 TONS DAILY

For Years "ROSE-DEER" coal has set the pace in Western Canada for quality, preparation and service.

It is clean, bright and sootless.

Always satisfactory.

MINED BY THE
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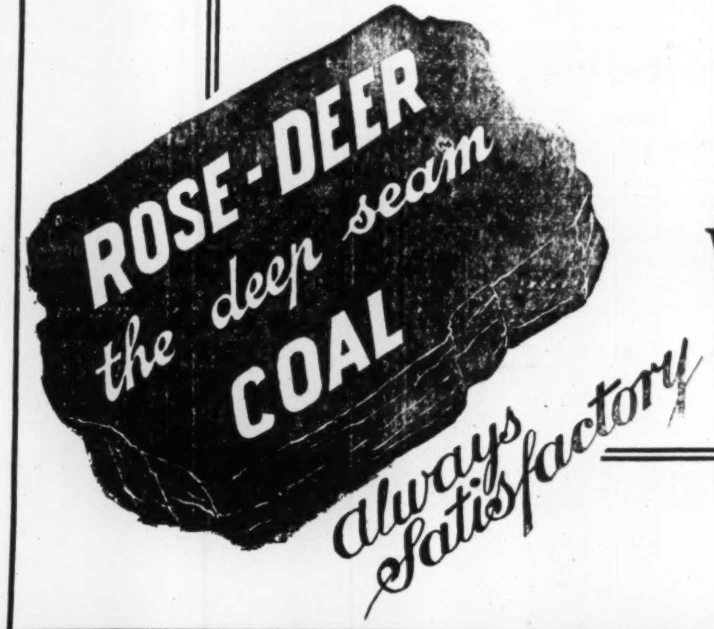


SOLE DISTRIBUTORS
W. B. DOYLE LIMITED
SASKATOON, SASK.

Getting Results Out of Alberta Coal Merely Means Burning It Properly

Householder Can Get Greater Efficiency Out of This Fuel Than Out of Anthracite but Must Burn It as He Would Any "Free-Burning" Coal

It is only in recent years that there has been any organized effort made to use coal economically, and this only on the larger installations. At the present time the average user has very little interest in the product, possibly because it is black and dirty to handle.

The argument often heard among people who have not used Alberta domestic coal, or come into contact with it, is that the coal produces large quantities of soot, smoke, does not burn well in cold weather, etc. To one who has used Alberta coal these arguments are fallacious. Alberta domestic coals are equally as efficient fuels during extremely cold weather, medium cold and mild. As they can be easily controlled, there is no need to waste heat by unnecessary opening of doors and windows to cool off.

No Need to Clean Pipes

As for soot and smoke—ask the ordinary householder who uses Alberta coal when he last cleaned out the furnace pipes. He will hesitate and ponder and then say possibly four or five years ago. The annual cleaning of flues and pipes, so common in the East, is unusual in the West where Alberta coal is used exclusively. Smoke has yet to cause one user to give up the burning of Alberta coal.

Believers in Alberta coal do not claim that it is the best coal in the world. They do claim, however, that, properly used, it will give the utmost value dollar for dollar of any coal on the market. Admittedly it has not the heating value of anthracite, but the whole advantage of the Alberta domestic coal as compared with anthracite is due to the ease with which the B. T. U.'s are brought to life and the small amount of nursing they require.

Alberta is fortunate in having coal which contains B.T.U.'s or "eggs," which are more easily "hatched" than those in other coals, particularly under the conditions which apply to domestic heating. They are not "hard coals" or "hard to ignite." As they are different to "steam soft coal" in characteristics, and the word "soft" having no intelligent meaning, they have been classed as "domestic coals."

Abundance of "Domestic Coals"

There is no country in the world that has such an abundance of similar coals. There are no raw coals in the world which have such desirable characteristics for domestic purposes as the Alberta domestic coals—not excepting hard coal.

In this country heat is a necessity; it requires a considerable proportion of a man's income to provide this necessity. Every person has his troubles and expense in obtaining his heating comfort. As yet no consideration nor education is provided, nor usually thought of, in connection with heating comfort, or expense; resulting in an appalling waste of the world's fuel resources and the individual's money.

The Alberta domestic coals differ from both hard coal and steam soft coal in that they are free-burning, meaning that they ignite easily and continue to burn under very low draft. If too much draft is applied they are very "fast." Owing to this difference and in order to distinguish them from other coals in the province and elsewhere, they have been classified as "domestic coals."

In districts where they have become the standard fuel it is the general practice to place them in the fire in such a manner that the combustible gaseous matter is driven out slowly, so that they do their half of the heating. When these gases are burned out, the red hot coke remains to do its half of the heating. This coke differs from the red coke of hard coal or steam soft coal in that it will not die out. It does not cake into a mass. Nor do the ashes contain good fuel.

As the gases are ignited at such a low temperature, more heat is obtained from a given weight of coal than would be the case with a fuel which required a high temperature to ignite the gas, thus permitting a higher efficiency than with other coals. They also have the advantage that an intense fire may be obtained from a cold heater in a few minutes.

Alberta coals require the same draft regulations for burning the gas as the coke after the gas is burned out.

Soft Coal Disadvantages

Steam soft coals have, in addition to their carbon content, a considerable proportion of oily matter which is driven out of the fuel in the form of a gas before the coal becomes hot enough for the carbon to burn. If this oily matter is driven out slowly, as in the domestic equipment, it will burn with a short flame having a smoky tip which, if allowed to come into contact with the heating surface, will form soot and tar.

When the oily matter has been driven out, the same draft conditions as with hard coal are required. If the draft is reduced low enough, the coke will die out and unburned cinders will be the result in the ashes and waste of fuel.

Although these steam soft coals are higher in B.T.U. value than hard coal, it requires very high draft, a continual variation of the regulation of the dampers and firing at very frequent intervals in order to obtain this increased B.T.U. value in the usual domestic heating equipment.

To all intents this is practically an impossible requirement for the householder and proves that when considering the heat value of a coal that is not the number of heat units or B.T.U.'s which it contains that is of value to the user, but it is what he gets out of it.

Best Results Simple to Attain

When burning Alberta domestic coal, if the following simple rules are kept in mind, no trouble will be had and good heating results will be obtained:

Domestic coal contains a large portion of its fuel value which is burned as gas.

In order to get heating results and economy one must supply air to the top of the fire.

Place the coal in the fire so that the flames at one side will be the match to light the gas.

As Alberta coal is much easier ignited than hard coal, less draft is required. If one has too much draft, one will make gas faster than the capacity of the combustion chamber will allow it to burn. Therefore—

Reduce the draft to its lowest possible by regulation of the dampers.

Leave Ash in Grate

In order to obtain better control over the rate of burning the coal, see that some ash is left on the grate before adjusting the dampers.

Once that gas has been fully consumed it cannot make soot. It is only when partially consumed that it has the properties of making soot and smoke.

Try to operate the furnace with ash-pit damper closed.

And, moreover, if you think that the furnace is not suitable for the Alberta domestic coals, remind yourself that there are thousands of similar furnaces using Alberta

SOLUTION AT HAND OF COAL PROBLEM, SAYS E. J. GARLAND

Member for Bow River Sees Success in Railway Question

By E. J. GARLAND,
M. P. for Bow River, Alberta
Extracts from speech in House of Commons

In the year 1926 alone Canada expended for foreign fuel and also for freight charges on that fuel to transport it to Canada about $114,000,000. I do not wish to be taken very seriously on that point because that total amount, of course, includes steam and bituminous coals for manufacturing purposes and we are interested at the moment in domestic coals. The central provinces in 1926 paid out for household coal and freight thereon no less than $52,000,000.

If there is any reasonable economic means by which we can retain a share of that purchasing power within the Dominion, there is no doubt such action will react to the advantage of consumers generally.

Credit to Thornton

I give a good deal of credit to Sir Henry Thornton, who has been sympathetic in the past to the possibility of developing this resource, and I hope to secure his co-operation and assistance in the future. I give a good deal of credit to the provincial government of Alberta which, since 1922, has spent large sums of money in carrying on an intensive and expensive publicity campaign. I give a good deal of credit to the province of Ontario, interested in the use of Alberta coal to the point of contributing something toward the development of public interest in the matter.

In 1922 the first official movement of Alberta coal took place to the city of Ottawa. A good deal of satisfaction was expressed with it and public opinion began to be developed. In 1923 an experimental movement of 16,000 tons took place at $7 a ton. The first concrete proposal before parliament came in 1923 with a proposal for the appointment of a special committee to investigate the whole fuel problem of the Central Provinces with a view to finding a solution. The committee advocated a Canadian coal policy. They urged the introduction of publicity propaganda by the federal government and they recommended the actual branch of the department in which it should be carried on. That committee went further.

In 1923 they recommended—and the house unanimously adopted its recommendation—that the government should undertake an independent examination into the cost of moving coal from eastern and western points to Central Canada. Did the government take any steps in that direction? Not a step was taken, not a thing was done until 1926, when, as the result of pressure from the Alberta government and other interested parties, an order-in-council was passed giving instructions to the Board of Railway Commissioners to examine into the actual cost of moving coal, having consideration firstly to the cost entering into the movement of the coal itself, secondly the actual cost plus the care of general overhead that the coal should carry, and thirdly the cost plus overhead plus profit.

Confusion Aroused

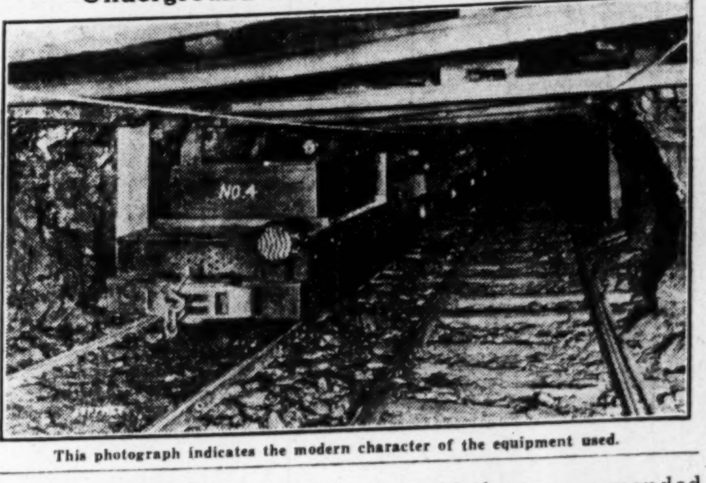
It is regrettable that these latter questions were included, as a good deal of confusion has arisen since the report of the board was made public. I think it was about February 13, 1926, that the order-in-council was passed, but the board did not sit on this matter until last June. For seven or eight days the board discussed the question with the experts of the railways and the technical experts of the two provinces with the result that they found, and reported in September last, that the out-of-pocket cost, according to the majority report of the commission, was $7.22, and that the out-of-pocket cost plus general overhead was $10.07. By the way, this latter figure is interesting in that Sir Henry Thornton has himself admitted that he can haul, and is willing to haul, coal at $9 a ton, but the Board of Railway Commissioners found that he could not haul it and pay general maintenance without receiving a rate of $10.07. Obviously somebody was wrong and I am prepared to accept Sir Henry Thornton's statement that he can haul coal at $9 a ton, pay the share of the overhead and make a substantial profit. I am satisfied that we have now reached a stage of this problem so close to its solution that the ministry will this year find itself in a position to introduce a measure providing for the necessary alteration in existing conditions which will bring about the desired result.

Includes Every Charge?

What should that change be? First of all we have the $7.22 rate which the board found to be the actual out-of-pocket cost involved. I have heard men in the street discuss the matter, and they have said, "You cannot apply that rate because it would result in a loss to the railways." I say that the $7.22 rate includes every possible charge that can be attributed to the movement of coal. So far does it go that it actually takes cognizance of the wear and tear to the steel rails as the result of the transportation of coal cars. It takes into consideration every other possible charge, switching, terminal charges, water, labor charges, everything which can possibly be attributed to coal, but, of course, it does not take into consideration the constant charges which would go on whether or not coal is moved.

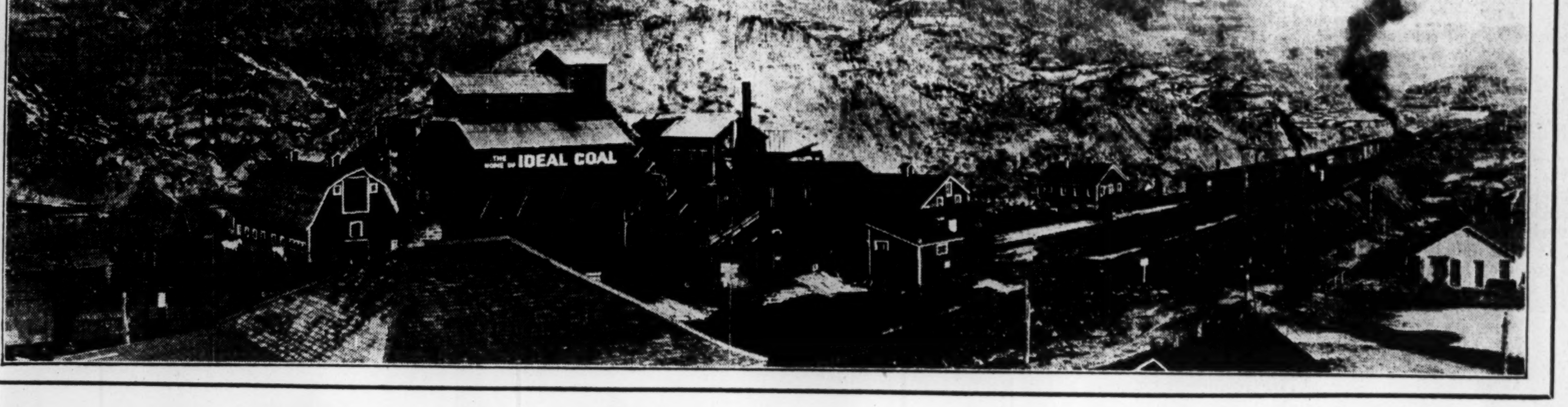
During the summer months I believe there are about 40,000 freight cars lying idle, according to the statement of the technical experts of the railways before the commission. All we ask is that some of these cars be put into operation for the transportation of coal, and we say further that not only will there be not a cent of loss to the railways as the result of the establishment of a fair rate for this movement, but that the railways will probably make a profit as the volume of business increases.

Underground in an Alberta Coal Mine



This photograph indicates the modern character of the equipment used.

The illustration to the right shows the splendid modern plant of the Ideal Coal Company that is amply equipped to meet any demands from Ontario or other provinces.



The illustration gives a very fair idea of the character of the Drumheller Valley coal fields, suggests its extent, and the facilities for delivering the product to the consumer.

Ideal Coal Company, Limited

THE IDEAL COAL COMPANY, LIMITED, commenced operations just five years ago, and the success of those few years of operation speaks highly for the soundness of the quality of the coal offered and the system of handling and distribution.

In the five years of its life, this mine has grown to be the largest producing mine in the Drumheller Valley, with a capacity output of 150 tons an hour.

There has been a steadily growing demand for the product of the coal fields of Alberta, and there is every evidence that it is meeting with a wide public favor. The Ideal Coal Company, Limited, is so placed that it can meet every immediate demand and can, as the need arises, still further extend its plant in line with growing demand.

The Ideal Coal Company Limited are miners of lower seam coal. The methods employed are the most modern, and the mine itself is electrically equipped throughout.

The company makes three sizes of coal, lump, stove and nut-pea. Of these, the first two suggest themselves as the most suitable for the Ontario market.

This coal will bear comparison with coal from any source, and it has been demonstrated to be entirely suited to Eastern Canadian as well as Western Canadian needs.

The development of the demand for Western Canada coal will be a large factor in Canadian prosperity, in that it will keep Canadian dollars at home, and will make for a steadily improving trade balance with our nearest neighbor.

Miners and Shippers of

Lower Seam Drumheller Coal

Wayne **Alberta**

Ontario's Market Would Add Much to Miners' Wages

Increase in Production Would Provide Greater Stability in Work

Further action to bring about the greater use in Canada of Canadian mined coal, which would result in more regular employment to the workers engaged in the coal mining industry, has been frequently urged by the Trades and Labor Congress of Canada.

Their policy represents the firm belief of over 200,000 unionized labor men throughout Canada—and may be taken as the viewpoint of labor on this question. This stand has not been taken by the executive without full investigation and discussion on the subject. Coming as it does from a representative body of the workers of Canada, their approval of the widening of markets for Alberta coal, particularly in Ontario, carries greater significance than merely the utilization of Alberta's greatest resource.

Level Seasonal Peaks

Coal mining in Canada is still largely a seasonal occupation with the result that large numbers of miners annually suffer hardships resulting from unemployment. To overcome this the Federal Government has agreed to aid in any feasible manner the movement of coal from Alberta to the East, thus helping to create stabilized employment among Albertan miners.

From past records, it is estimated that the average employment afforded to miners in Alberta amounts to about 125 working days a year. Needless to say, no province, or country for that matter, can expect to have a satisfied and prosperous labor element in its midst so long as employment is based on such limited periods. "Canada's future is in the fullest possible development of her industries," says Professor H. Michell, professor of economics, McMaster University, who has made a special study of Canada manpower coal in relation to its industries.

Not Hydro Power Alone

It is a mistake to imagine that the future industry of Canada depends wholly upon hydro-electric power. While water power is a factor of very great importance, no one can suppose that it will ever displace coal as the supreme generator of heat and power.

"And what are we to say of man-power?" Mr. Michell asked in a recent number of the Canadian Congress Journal, organ of labor in Canada. "It needs no word to say that a great expansion of industry in Canada must be accompanied by a greatly increased population, more work, better wages.

"Those who are apt to take a somewhat shallow view might be tempted to think we are leading up to the conclusion that if the manufacturing east would only use Canadian coal instead of American all would instantly be well and Canada would experience a lively and satisfying 'boom' at once. Of course, such is a very mistaken idea to have, and no such ludricous suggestion can be entertained. By making Canada independent of the United States in the supremely important item of coal we would be hastening the full exploitation of all her resources, we would be tapping a source of untold wealth, now barely scratched on the surface, and we would be providing a greatly increased chance of lucrative employment for our own people and for the newcomers to Canada in the future.

Miners Fewer in Number

"In the year 1923 there were employed in coal mining in Canada 30,300, a large number of whom were credited to Alberta; in March, 1927, the number of employed was 26,500, a drop of 3,800. If Canada were to make herself independent of all outside sources and began a systematic development of her coal areas, a low estimate of the workers required would be 60,000 at first; and a progressively increasing number would be necessary as industry increased. To double the output of coal from the Canadian mines would entail but little extra cost for development and by overcoming some serious disabilities now suffered by the industry, it would be of the greatest possible benefit to Alberta and the nation at large.

"In the West, seasonal demands make it necessary to mine the bulk of the year's requirements during four or five winter months. It is, of course, perfectly obvious that a short working period compels high selling costs and it also means high labor costs. Those depending upon the coal mining must try to earn enough in the few months during which they are continuously employed to cover the cost of living for the whole year. High overhead costs and high wages for a few months of the year add to the price of coal and it is quite sure that if the Alberta mines could be assured of work all the year round costs would be greatly reduced. Again, to look at the matter from another side, the benefit to the railways would be very great.

Benefit to Labor

"But it is not, however, with the railway problem that we are concerned at present, except in so far as it affects Canadian labor conditions, which it most certainly would do, with important and far-reaching results. That labor would benefit in a very marked degree is quite apparent and the following abstract memorandum of the Dominion Fuel Board, recently published, sums up the situation as admirable:

The advantages to the coal mining industry of Alberta could be summed up under the statement that there would not only be a complete rehabilitation of the industry, but it would probably enjoy a prosperity greater than has been the case in its history. The mines producing domestic coal would send down to Ontario nearly three and a half million tons annually, which would represent an increase of about 100 per cent. in the present combined production of the lignite and subbituminous mines. The bituminous coal fields would send down about ten million tons, which would represent an output of nearly three times that of the highest yearly total yet achieved.

"As the rated capacity of the Alberta bituminous mines is about double the present output, this greatly increased demand would probably necessitate the opening of new bituminous mines. Unemployment periods in Alberta coal fields are perhaps subject to as much, if not more, frequency than is the case in the Maritimes. The great number of mines in operation and peak demands for coal are the very essence of unemployment periods, as well as tending to high costs of production. While it is recognized that there would be difficulties connected with the steady transportation of coal over the long haul to Ontario throughout all seasons of the year, the stimulus to conditions in Alberta should put the industry on a well sustained basis."

Help to Coal Miners

The importance of Ontario has an outlet for Alberta's coal and the consequent increasing of employment among the miners thereby, is more readily understood by the difference such an enhanced demand would make in the income of the mine worker.

According to the report of the Alberta Coal Commission the following are the grand average earnings of all employees in the coal mining industry in the lignite mines from 1921 to 1924:

1921	$1,175
1922	$ 905
1923	$1,088
1924	$ 735

It should not be overlooked that these figures are based upon a maximum of approximately five month's employment. With the anticipated demand from Ontario it is expected that the mines will be able to operate ten months during the year. It does not require a mathematician's skill to figure out what this will mean to Alberta's miners in dollars and cents. From a barely living wage they would be raised to the position of being able to earn sufficient money to provide them with all the ordinary comforts of life; this is only their just due.

Manitoba Government Buys

Purchases of Alberta coal by the Government of Manitoba last year totalled approximately 50,000 tons. Ultimately it is expected that every pound of soft coal used by the Government institutions in Manitoba will come from Alberta, thus saving an additional $250,000 to Canada.

LOWER RATE ON RAIL HAUL IS EXPECTED

(Continued from page 17)

spring and summer months. In fact, the peak of the buying movement in Ontario synchronized with the idleness of the Alberta mines and the railways.

The reason for this early buying in Ontario is that the fear of the shortage of supplies in the American mines, due to strike and other conditions, is always before them.

It will be seen that the establishment of permanent market in Ontario for Alberta domestic coals will solve many of the problems of the Alberta mine owners, create more employment and solve to a large extent the fuel problem of central Canada.

The financial importance of an Alberta-Ontario coal movement is appreciated when it is realized that in 1926 Canada imported from the United States 2,584,000 tons of anthracite at a cost of $20,852,000. The cost at point of purchase was roughly $8 a ton. To this must be added the average cost of transportation to the Canadian border.

Of the total amount of anthracite imported from the United States not less than two million tons found its market in Southern Ontario and the city of Montreal.

Alberta has coal in unlimited quantities and a quality particularly well suited for the domestic needs of that are now supplied with anthracite. No coal moves, or can move, from Alberta to Ontario to compete with United States anthracite at present rail rates.

Hence the paramount importance of the government's expected action in fixing an equitable freight rate for the movement of Alberta coal to Ontario.

Experimented in 1923

In 1923 an experimental movement of 16,000 tons of coal took place at a freight rate of $7 a ton. This the railways claimed they moved at a loss.

Since that time numerous conferences have been held between the parties sponsoring the movement of Alberta domestic coal, the railways and the Board of Railway Commissioners, and upon request of the Dominion government the latter body investigated the rate question and reported thereon in September, 1927. Previous to that time negotiations with the railways for a $7 rate had proved unsuccessful.

Board Disagrees

The Railway Board disagreed in its findings. The majority report found the out-of-pocket cost of coal transportation $7.22 a ton; the inclusive cost to be $10.07 a ton; and the inclusive cost plus the element of profit to be $12.20 a ton; whilst the minority report showed the out-of-pocket cost at $6.50 a ton.

Different Basic Costs

The proponents for a lower and fixed rate claim that in arriving at an out-of-pocket cost the Railway Board in making their estimate adopted a load factor of 33.4 tons per car, instead of a factor load of 36 tons, the average loading of all Canadian National box cars. The average loading of the Canadian Pacific Railway box cars is 38 tons. It was agreed that this coal could be moved in box cars. The difference in cost of transportation between a minimum 33.4 ton load factor and a 36-ton load factor is according to the majority report about 8 per cent.

This amount, according to reliable authority, amounts to 47 cents a ton of the amount of $7.22 adopted by the majority of the Board as the out-of-pocket cost.

Claim Rate is $5.45

It is further pointed out that 24 per cent. of the total cost of the repair of all freight cars for the use of only $8\frac{1}{2}$ per cent. was charged, adding to the cost $1.30. Adding these two items together one arrives at the figure of $1.77, which deducted from the Board's findings of $7.22, leaves $5.45, as the out-of-pocket cost determined by the Alberta, Ontario and other interested parties.

The railroads agree that they have equipment now idle during six months of every year to enable each to haul a million tons of coal from Alberta to Ontario within the six months period, i.e., between crop seasons, when the movement of grain demands the use of all available box cars. Assuming that Montreal and Southern Ontario take two million tons of United States anthracite coal a year and that the Canadian railroads get an average of $1.50 per ton for hauling it, their total earnings is $3,000,000. Canadians of Southern Ontario and Montreal pay to United States miners $16,000,000 for two million tons of anthracite coal, plus the cost of haulage to the boundary and then pay Canadian railways roughly $3,000,000 for distributing it.

Keep Money in Canada

At an average f.o.b. cost at the mine in Alberta of say $3.50 per ton, with a rail rate of $7, the Railway Board points out that there would be a distribution of at least $20,000,000 of Canadian money amongst Canadians for the same service.

It must also be borne in mind that money spent for no other commodity has as wide a distribution as that spent for coal. Only a small percentage of the amount which the consumer pays is received by the coal operator, the balance is made up of, besides transportation, distribution charges, labor and supplies.

Naturally there is the attitude of the railways to be considered. Both come under the jurisdiction of the Board of Railway Commissioners and any orders made by that body would have to be carried out. Should the railways, however, be forced to carry the coal at a loss?

According to arguments put forward when the question was under consideration last summer, the railways claim that they cannot carry the coal on a $7 per ton basis. They put forth in great detail the various charges incidental to the movement of freight of this kind.

Unfortunately, there is no cost basis in Canada for the hauling of freight, such as has been compiled by the Interstate Commerce Commission in the United States. Consequently, great difficulty is experienced in arriving at a rate which represents the true cost. Both the Canadian National and Canadian Pacific submitted different rates to the board, at which they could move Alberta domestic coal to Ontario. The Alberta representatives submitted another set of figures, while even the Board itself disagreed as to the cost.

In a situation like this, it is extremely difficult to form an accurate idea of the cost of the movement of coal from Alberta eastwards.

Should Analyze Cost

This problem could be solved by the setting up of an independent board to go fully into costs. If the government, and it is fully anticipated that it will do so, issues an order-in-council making a fixed rate of $7 or less, for a period of at least three years, this Board during that period could determine the cost of moving the coal and when the matter of fixing a permanent rate comes up for consideration it will be possible to do so in a manner which will be fair both to the shippers and the railways.

Meantime, the proposed movement of Alberta domestic coal to Ontario will be watched with the closest attention. If the mine operators are successful in securing a foothold in the market against the competition of American coals and the railways find that the movement can be handled at a profit, the results will have a far-reaching effect in the economic development of one of the richest and most extensive of the Dominion's natural resources.

No Coal Substitute

There can be no substitution for coal for home use except under temporary local conditions. As population increases greater demands will be made on coal for heating purposes.

A Reliable Service!

IS OFFERED buyers of Alberta Coal through our close mine connections in every Alberta field.

Dependable information on the relative values of the different coals and of their screening and mining equipment is gladly given.

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Economist Makes Strong Case for Co-Ordinated Fuel Policy Making Nation Less Dependent

Cannot Continue to Regard Alberta as Second String

CASE FOR RATE MOVE

Parliament Would be Justified, in National Interest, in Ordering Developmental Rate for Coal

By WILLIAM WALLACE GOFORTH, B.A., Assistant Professor of Economics, McGill University

(Abridged from pamphlet prepared for Canadian Coal Committee).

One of the most complex of the many problems with which Canada is faced at the present time is that of fuel—or more specifically, coal. In spite of the enormous strides of hydro-electric development and usage during the past two decades, coal still remains the fundamental basis of Canada's economic life, even as wheat has maintained its status as the basis of her biological life. Whatever inroads electricity hás made into the fields of industrial motive power and domestic and civic lighting, coal still remains an essential and permanent factor in domestic heating. Though not so certain of its lasting domination of industrial heating, its present outlook is still promising.

Soon to Come Into Own

What is also significant, but seldom realized, is that our available reserves of hydro-electric power, at the present rate of development, will be completely exhausted within the average lifetime of the present generation, while our resources in coal border on the inexhaustible. It is of little use speculating as to the possibilities of oil and other substitutes (e.g., natural gas) because these also are threatening the world with acute shortage of supply even in their present spheres. We shall therefore be forced before long to return to a greater and greater diversity and intensity of coal usage, and that in the not far distant future.

Dependence on United States

An additional complication of the problem is that at present we are dependent upon the United States for over one-half of our total coal supply. This proportion rises to practically 100 per cent. in the so-called "Acute Fuel Area" of the Great Lakes region, and its northern hinterland. The supplies which we have been receiving recently from South Wales and Westphalia are relatively negligible, and of a merely transient character. It is futile to try and explain away this United States dominance in the coal markets of the Central Provinces as the mere consequence of the rule of comparative cost, which, all things being equal, must govern in trade relations between countries as between individuals. Its futility is apparent in the fact that all things are not equal, as they never are in any economic or social question. In fact, they are heavily weighted against the best interests of Canada, at the very outset, in this problem of coal supply.

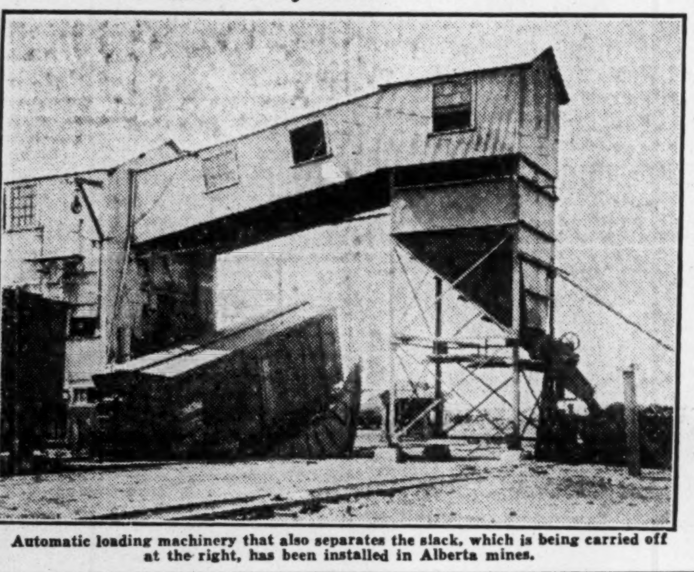
Within Economic Range

The vital question then resolves itself into this, "Can Alberta coal be brought within economic range of the Ontario market, in such a manner that the nation as a whole as well as the affected classes, regions and business interests, will benefit to a greater extent than is at present possible?" This in turn involves enquiries; first, as to the suitability of Alberta coal as a domestic substitute; secondly, as to whether the low transportation charge necessary to cause the coal to move, would reimburse the railway companies for their out-of-pocket cost; and, thirdly, and most important of all, is whether the equalization of present employment and production variations and other factors, would ultimately compensate the nation in general and the railways in particular, for any initial out-of-pocket cost which they would sustain, or which the country as a whole would sustain, if a subsidy were granted.

Suitable Substitute

That Alberta's domestic coal, especially in its higher grades, forms a very fair substitute for domestic anthracite, has been amply demonstrated by its wide-spread use

Machinery Reduces Costs



Automatic loading machinery that also separates the slack, which is being carried off at the right, has been installed in Alberta mines.

for this purpose in the Prairie Provinces. It requires different handling, but from the comments of ex-Alberta residents in Ontario, it appears that the difficulty of becoming accustomed to the alternative type is quite mutual, if not erring on the side of anthracite. As regards efficiency as a heat generator, opinion varies, but it may be safely assumed that on the basis of laboratory tests, the better grades are from 6 per cent. to 20 per cent. less efficient than anthracite. On the other hand, the greater facility with which the domestic user may start and control a fire of Alberta coal undoubtedly offsets the technical advantage of anthracite. Since the majority of people who use coal for cooking or heating want to secure the most satisfactory results with the least trouble, inconvenience and expenditure of time (i.e., of labor in its widest sense), anthracite could hardly hold its own with its Canadian alternative, if the latter were once established. All things being considered, a price to the Ontario consumer of from $2.50 to $3.00 less than prevailing anthracite rates would tend to replace the latter in the Ontario domestic market. Once accustomed to its use, there is every probability that Alberta domestic coal would retain a permanent hold on home consumption in the Great Lakes region.

Principles of Rail Rates

To understand the problem involved in setting the most desirable rate per ton for Alberta coal, in order to make it move eastward, it is necessary to grasp clearly the first principles of railway rate-making. The freight rate structure of the modern railway is one of the best illustrations of the growing complexity which comes with scientific progress, and experimentation. It is no longer possible to state a definite theoretical rate for the movement of any particular commodity which will strike the ideal level of maximum traffic volume and highest proportionate share of total cost. It is clear that a railway must charge a sufficient average rate to cover operating and fixed charges, and leave something over towards reserve, and dividend payments.. But the remarkable thing is that railways are in many cases able to charge a mere fraction of the average rate per ton mile and still receive enough to increase its net return after all operating and other variable charges are deducted. In fact, the modern railway could not support its enormous capital burden if such a policy of "charging what the traffic will bear" were not the keystone of its rate policy, and if it were not continually experimenting on new rates to promote new and increased traffic.

Abandon Development Rates

In the pre-war period of expansion, it was common policy to set a rate which on direct analysis would barely cover operating expenses, in order to induce the movement of compensating traffic of a higher grade. Two factors, however, have tended to eliminate these developmental rates. The first was the arrested growth of settlement and traffic which followed the outbreak of the Great War. The second, it has been sometimes stated, was the fear of railway executives that such rates might be made the basis of appeal by other shippers for a proportionate lowering of their rates on the grounds of unjust discrimination. The first factor may now be overlooked, because there has been a clearly defined upward movement of traffic volume during the past few years, indicating the return to normal expansion.

The second is more complex, and vitally influences the present attitude of Canadian railways on the matter of development rates for Western coal. In response to a request of the Dominion Fuel Board both companies submitted statements of actual out-of-pocket cost involved in moving a train of two thousand tons of Alberta domestic coal in box cars from Lethbridge, etc., to Toronto. The steeper grades of the Canadian Pacific resulting in increased costs are reflected in the higher estimate of $9.95 per ton as compared with $9.03 for the Canadian National Railway. Even then it appeared that the railway companies were reluctant to supply this information—a quite justifiable attitude, under the circumstances. Such a precedent would probably force the Board of Railway Commissioners to lower their rates on other coal shipments as well as on other commodities of a similar classification. This literal interpretation of the Railway Act might have disastrous effects on the financial status of the two companies, if carried far enough.

While there is no direct evidence on which to base such a conclusion, yet it is reasonable to suppose that the railways (or in this case the C.N.R. only)) are not averse to experimenting with a development rate of as low as $7 per ton as long as the rest of their tolls were not tampered with, because it is quite evident that the revival of the coal industry in Alberta and the greater demand for other products of a higher grade, which would result from continuous operation of the mine, would indirectly counterbalance the intial losses of the low coal rate. Furthermore, it gives to the railway and related industries a more equalized volume of employment, by using "off-peak" summer and fall labor during the dull winter months. For these reasons it appears that the question of the special coal rate should be removed from the jurisdiction of the Railway Commission on grounds of national necessity, and a rate sufficiently low to induce the desired movement in substantial volume be set by Act of Parliament, with a definite time limit, say, three years, after which the railway companies could give evidence of the actual effects, direct or indirect, of such a rate, on their volume of traffic, and on their margin of safety. The onus of proof as to whether the experiment had, or had not, adversely affected their net receipts, should rest with the railways. Provision would have to be made in such a legislative enactment that this developmental rate should in no way be used as a precedent in subsequent cases before the Railway Board.

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OUTPUT RISES LITTLE

Figures Indicate That Production of Alberta Coal Mines Has Remained Stationary

Based on notes by
G. F. PRATT,
Alberta Government Fuel Engineer

Before proceeding to discuss Alberta coal in particular a few items regarding the position of Canada as a whole towards coal will be of interest.

In 1890 the population of Canada was 4,792,700, with a total coal consumption in Canada of 4,941,383 tons, or at the rate of 1.031 tons per capita.

In 1900 the population was 5,349,800, with a coal consumption of 8,351,105 tons, or 1.561 tons per capita.

In 1910 this had changed to 7,084,500 population, with a coal consumption of 20,970,226 tons at 2.960 tons per capita.

In 1920 a population of 8,603,600, with a coal consumption of 35,204,137 tons, or 4.079 tons per capita.

In 1923, the population was 9,146,900, with a coal consumption of 38,023,485 tons, or 4.157 tons per capita.

In 1926 the population was 9,200,000, with a coal consumption of 33,506,070 tons, or 3.6 tons per capita.

Due to Industrial Growth

The above details are given to show that it is not only to-day's problem of coal which we have to consider, but that the greater problem is in the future. Particular attention is called to the increase of coal per capita from one ton to four tons. No great increase per capita has taken place in that period in domestic consumption, and by noting that the coal consumption for railroad operation has remained nearly stationary since 1913, the per capita amount has been decreased on that particular account.

Some might be accounted for by the increased standard of living, but this is more or less a question when we consider that most of the new conveniences or goods that can be classed as luxuries are of foreign origin.

This leaves the reason for increased coal consumption as being mainly due to manufacturing.

The bulk of the industry of Canada is upon products from the soil. The bulk of our exports are products from the soil. With a few exceptions, manufactured goods, other than soil products, almost balance exports with imports.

Products of Soil

Thus in large we may say that the manufacturing industry of Canada is producing products of the soil.

The production of food, of clothes, of protection from the weather, has changed from actual manual work on the land to the machine construction in the factory. In doing so the hard tasks have been taken from manpower energy by energy produced from water power and coal. Our standard of civilization is only possible through machine production, of which heat produces the motive energy.

With our comparatively small population our water powers within reasonable reach of population are becoming near maximum production and we must in the main depend upon coal in the future.

Shall We Import More?

We must also expect an increasing coal consumption per capita and we do not only expect a great increase in population, we know that we are going to have it. Our purchases of import coal are now in the neighborhood of 100 million dollars yearly, and if we accept the present official viewpoint of Canada towards our native production of coal our future increased requirements will be provided through increased importation from the United States.

Thus Canada is drifting towards an increased coal demand, and to dependency upon a foreign country to supply that demand.

Other and older developed countries that have a rising or a stationary coal consumption but which have not the desired native coal are greatly concerned from a point of view of economics and future prosperity in solving the problem of fuel and put much political effort into doing so. Industries which will offset the importation of fuel are favored in those countries and are looked upon as valuable national assets. Research works are done by the governments which will assist such industries and laws are enacted which will permit them to continue to function.

Where Get Coal?

Accepting the fact that Canada uses a certain quantity of coal and accepting as correct the theory that Canada will require progressively increasing amounts of coal, what sources has she from which she can obtain them?

Reviewing our past methods we can import the coal, providing that we comply with the conditions imposed, which are "the price," and a proper sense of gratitude towards the U.S. for favoring us, which means, bluntly, that we will accept any trade conditions that it feels disposed to impose on us in other lines.

The other source to consider is the possibility of supplying our own needs. To this the first question would be: Has Canada got suitable coals? The answer to this is: Yes, it could supply the world with coal for hundreds of years if necessary.

The question then which arises in the mind of the enquirer is why do we not do so?

Lack of Enterprise?

With an apparent market for all the coal that they can produce, and an unlimited supply of coal, is it due to lack of enterprise on the part of Canadians or is it due to conditions over which the coal producers have no control?

During the last few years much publicity has been given to the coal industry of Canada, and an intensive campaign has been run for coal market extension by the Government of Alberta and the mine owners of Alberta, all of which to date has resulted in a stalemate. This is sufficient evidence that the coal producers are not dead nor even sleeping. In fact, in some quarters they are considered to be as much of a nuisance as a flock of mosquitos and there seems to be a general thought in those quarters that if they cannot be entirely smothered they will have to be taken seriously and some effort made to clarify the national situation towards coal.

The yearly production of coal in Alberta ranges around six million tons and a perusal of the figures in the accompanying table will show that little change has taken place in market expansion since 1918.

Prior to 1920 coal sold for railroad operation is included in Alberta sales.

Entering Manitoba Market

The figures for Manitoba will no doubt be a surprise to many in face of the imputed success of the Alberta campaign on the Manitoba market. The Alberta exports to Manitoba were 64,816 tons during 1915. During 1916 they were 97,265 tons, and during 1917 they were 249,872 tons.

Prior to and during these years and in lesser degrees up to 1923 the coal used in Manitoba had been imported anthracite from the United States for domestic use.

By 1923 this importation had been reduced to 10 per cent. of formerly by replacing it with the Alberta domestic coals, where it has remained at about this figure since.

Prior to 1915 practically all bituminous coal was imported into Manitoba from the United States. From 1915 up to and including 1920, Alberta progressively replaced this in part with Alberta bituminous coal, attaining a peak of 143,202 tons in 1920. Since 1920 the amount has progressively fallen until in 1924 it was only 5,453 tons.

Burn American Bituminous

Therefore, as the market for the domestic coals has progressed and been maintained so the market for bituminous coal has fallen.

In 1926 Manitoba imported less than 80,000 tons of American anthracite. It used in all 800,000 tons of Alberta and Saskatchewan coal. But it imported 1,400,000 tons of American bituminous coal.

The purchasing value of domestic coals are mainly upon their "domesticity" and value to be received cannot be computed upon their scientific B. T. U. (British Thermal Unit) value.

Bituminous coals used for steam and power purposes are usually burned under more skilled supervision and in practice can largely be compared for value to be received upon their scientific B. T. U. basis.

This leads the prospective purchaser to compare the number of B. T. U. which he can obtain for his dollar of one coal with another offered coal. On this basis Alberta bituminous coals have not been able to meet the prices asked by the United States coals.

Question of Price

The reader will probably say at this point that the control is within the hands of the coal producer, that coal is in the ground the same in both cases and that all the Alberta producer has to do is to reduce his price, that if one party can do it why not the other? This is a logical query.

Correct or not it is not working that way, and in order that the reader may form his own conclusions the following is cited:

The United States coal producers had the Manitoba market at one time and it was a profitable one to them. Compared to the volume of their business as a whole the Manitoba market was small, less than one per cent., but it was a good outlet for their surplus production and having no competition, prices could be set to suit themselves without considering it any business of the coal buyer what the prices should be.

The Alberta producer had not had the market and as its volume as compared with their other business was around 10 per cent. they could not consider it as a by-product market, but had to consider it as part of the whole and must pay its way or add any losses sustained in obtaining it or charging it to capital expenditure.

Some Alberta mines acted in that way and charged losses to advertising efforts which they considered should bring returns at a later date. The effect of those efforts was that it reduced the price of coal to the consumer considerably below the cost to the producer, so low that one large customer advised that he could pay the Alberta coal producer 75 cents per ton for it providing that the coal producer would have the freight rates reduced one dollar. In other words, competition set the price of Alberta coal at 25 cents less than nothing per ton to the coal producer.

Naturally, while such conditions prevailed the Alberta market declined.

During the period extending over years the United States exporters have lost hundreds of thousands of dollars but probably on the expectation that at some time in the near future when competition is entirely killed that they will be able to recoup their losses.

Of the importers, some have suffered heavy losses and still remain in business, probably assisted by spreading their losses over other classes of coal. Others have not been so fortunate and have been retired from the business.

That foreign concerns have been able to control and present legitimate business in this country in the above manner is due principally to the lack of effective custom laws to prevent dumping.

The United States has an effective dumping law, the operation of which as it refers to Alberta coal exports into the United States can be seen by examining the table. Exports from Alberta have dropped from 153,610 tons in 1920 to 40,507 tons in 1925.

By reference to the table again it will be noted that the consumption in the other provinces has not increased with the population increase. Alberta remains practically stationary in large, due to the increasing use of natural gas. British Columbia has a coal industry of its own with its own need for a market.

The Saskatchewan increase is being absorbed by development of the lignite beds within the province.

During the past several years the railroads have extended the use of Alberta coals eastward from the middle of the Province of Saskatchewan to midway between Winnipeg and the lake ports.

Although considerable mileage has been added under operation of Alberta coal the actual tonnage absorbed remains nearly stationary. This is due to reduction in railroad business and to more efficient methods of burning fuel in railroad service, larger engines and heavier trains. There is said to be a gaining on this account of 20 per cent. of fuel used during the last 10 years.

It will be seen that as far as the West is concerned Alberta has all the markets which are available subject to the conditions existing.

Improvement in the customs laws would open up a new market in Manitoba for 200,000 tons. There is a possibility of a market for a million or more tons on the west coast of the continent as the factor of oil burning is eliminated.

Also a gradual increase in proportion to population increase in the west for home and railroad purposes and an increasing market as industry develops in the West. This latter has the most promising outlook of any as it is certain that transportation costs on finished commodities will force more manufacturing in the West of products which will be absorbed in the middle west.

Thus we see the importance of the Ontario market to Alberta.

Alberta needs the Ontario market to enable it to expand its coal production as it should be expanded.

Where Alberta Coal is Sold

Figures are in tons

Year	Alberta	B.C.	Saskatchewan	Manitoba	Ontario	U.S.	Railroads	Total
1918 ..	3,440,154	101,189	1,872,439	511,168	629	133,276	......	5,538,855
1919 ..	2,991,110	95,461	1,115,329	314,290	308	121,212	......	4,637,710
1920 ..	1,647,202	128,850	1,310,146	600,962	13,911	153,610	2,516,555	6,371,266
1921 ..	1,415,861	116,089	1,294,441	495,388	9,898	133,823	2,023,204	5,488,704
1922 ..	1,443,942	107,920	1,371,249	520,518	21,578	105,514	2,076,291	5,647,109
1923 ..	1,382,788	108,326	1,223,454	553,639	52,334	83,557	3,110,121	6,514,219
1924 ..	1,431,327	114,186	1,189,788	510,407	16,525	39,142	1,613,574	4,914,929
1925 ..	1,440,032	115,037	1,297,653	509,655	28,831	40,507	2,189,716	5,571,431
1926* .	1,269,076	128,806	1,295,662	591,382	75,597	48,012	2,714,949	6,123,705

*221 tons shipped to Quebec in 1926.

40 Years of Alberta Coal Production

Since 1886 Alberta coal mines have produced nearly 100,000,000 tons of coal, on which an approximate value of over $300,000,000 has been placed. It will be noted from the following record that production per annum of 5,000,000 tons, or better, did not begin until the post-war period:

Year	Short Tons	Value
1886	43,220	$ 81,112
1887	74,152	157,577
1888	115,124	183,354
1889	97,364	179,640
1890	128,753	198,298
1891	174,131	437,243
1892	178,970	460,605
1893	230,070	586,260
1894	184,940	473,827
1895	169,885	382,526
1896	209,162	581,832
1897	242,163	630,408
1898	315,088	787,720
1899	309,600	774,000
1900	311,450	778,625
1901	340,275	850,687
1902	402,819	960,601
1903	495,893	1,117,541
1904	661,732	1,404,524
1905	931,917	1,993,915
1906	1,246,360	2,614,762
1907	1,591,579	3,836,286
1908	1,685,661	4,127,311
1909	1,994,741	4,838,109
1910	2,894,469	7,065,736
1911	1,511,036	3,979,264
1912	3,240,577	8,113,525
1913	4,014,755	10,418,941
1914	3,683,015	9,350,892
1915	3,360,818	8,283,079
1916	4,559,054	11,386,577
1917	4,736,368	14,153,685
1918	5,972,816	20,537,287
1919	4,933,660	18,205,205
1920	6,907,765	30,186,933
1921	5,909,217	27,246,514
1922	5,990,911	24,351,913
1923	6,854,397	28,018,303
1924	5,189,739	18,884,318
1925	5,869,213	19,810,988
1926	6,499,531	20,870,186
Total	94,260,390	$309,299,609

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Larger Markets Needed for Production of Mines in Maritime Provinces

Feel Nova Scotia Coal Mines Are Handicapped — Prospects Are Now Brighter — Great Number of Factors Make Nova Scotia's Coal Market Problem Complex

The coal fields of Nova Scotia in one way occupy an economic position analogous to the coalfields of Alberta, for operators in both areas are far removed from the larger sources of the demand, and both have difficulty in finding markets which will allow the mines to operate on their lowest cost basis.

The chief coal producer of Nova Scotia is, of course, Besco. At the present time one of the chief hopes of those, who realize how important is the industry to Nova Scotia, lies in the character and the ability of those now in control of Besco and its many subsidiaries. The Sir Herbert Holt interests should be able to find a better market for Nova Scotia coal, if anyone can. Incidentally, the various large coal-using industries, with which those now in control of Besco are associated, should automatically provide a materially increased outlet for Nova Scotia coals of one kind or another. But the problem of finding larger outlets for Nova Scotian coal is not one that can easily be solved. The difficulties in the way of selling a larger volume are not those which can be met and surmounted by an executive skilled in merchandising methods, for the difficulties which have faced Besco in its sales of coal have been fundamental and economic, handicaps which could never have been eliminated by only high-powered salesmanship.

The Domestic Markets

The markets for coal in Canada are chiefly located in that industrial area which lies between Quebec on the east, and Windsor on the west. Here are the larger coal consuming industries of Canada and it is to this area that Nova Scotia looks for an enlarged market. This territory is sometimes referred to as the Acute Fuel Area of the Dominion, for neither Quebec nor Ontario has a coal deposit to supply their demand. Coal must come either from the Canadian fields or from the nearby Pennsylvania fields. And most of it does come from the States.

Probably a major portion of this area's coal requirements will always continue to be supplied by the States, but could Nova Scotia obtain even a small proportion of the business in this area now going to the States, it would increase the Nova Scotian output more than materially, would stabilize and place the industry there on a sound basis, and would bring a decided increase in the prosperity which prevails along the eastern seaboard.

Many-sided Question

But many factors combine to enter into this situation which prevents the Nova Scotian mines from operating on their most profitable basis. The unsatisfactory features surrounding the industry have precluded the possibility of turning the mining fields into an Arcadia where the miners could be assured of steady employment all year round.

In the first place, the cost of producing coal in Nova Scotia is high—one of the reasons being that it is partly mined in submarine areas. In any event, the pithead costs in Nova Scotia are higher than in the States. These costs, though, can be reduced to a certain extent by the investment of further large sums in plant and equipment. But, due to its financial position, the British Empire Steel Corporation has never been in a position in which it could ask for more capital for its mines. Investors had lost faith in the enterprise.

Betterment Anticipated

With the new interests now in control of the corporation, a complete reorganization will probably be carried out which will place the industry on a sound financial footing and will allow it to sell new securities to the public. The proceeds of such financing will undoubtedly be used to bring the mines up-to-date and to instal equipment which will reduce costs. Nevertheless, no matter what money is spent on plant, there is no doubt that pithead costs of coal cannot be brought down to the prevailing level of Pennsylvania or West Virginia where, in some instances, coal comes out of the mines by gravity. Shafts run horizontally into the hillsides.

Then, again, Nova Scotia cannot send coals into the valley of the St. Lawrence in winter time due to the high rail rates. In summer the coal moves by boat. Hence in the winter months the Nova Scotian coal mines must either bank their output pending the opening of navigation on the St. Lawrence in the spring or else close down. Many pits close down, for banking is costly and only certain grades can be banked. Some grades deteriorate rapidly if banked for more than a day or two.

Tariff Does Not Help

Then, again, there is but a moderate tariff on coal and many Nova Scotians justly feel that the present tariff helps many non-essential industries in Central Canada to grow wealthy, whilst the needs of a fundamental, indigenous industry such as the Nova Scotia coal mines are entirely forgotten in the welter of political shift and makeshift.

Thus to-day the market for Nova Scotia coals extends no further westward than Ottawa—at Ottawa, though, coal from Cape Breton is sold without profit. In endeavoring to market its coals in Quebec or in Ontario. Nova Scotia has yet another problem to meet, namely, that while coal can be shipped by water cheaply to St. Lawrence points, yet it cannot be sold in places not actually located on the river, the reason being that, even for a short rail haul, the combined water and rail rate is so high that Canadian coal has not a possibility of competing with U. S. steam coals in cities such as Sherbrooke, P. Q.

Markets for Coal

The market for coal produced in the Sydney field includes the coal consumed at the local steel plants, which at this time is in the neighborhood of 1,000,000 tons annually, the manufacturing and domestic supplies required by the Maritime Provinces and Newfoundland; and the very important outlet for coal—the St. Lawrence market. This is in effect that portion of the Province of Quebec within the economic radius of distribution of coal sent from Nova Scotia by water and discharged at Quebec and other ports along the St. Lawrence River, up to the head of ocean navigation at Montreal. During 1927, some 2,750,000 tons of coal were sent to this market, all from the Sydney coalfield, with the exception of possibly 100,000 tons from the mainland collieries.

This market for Nova Scotia coal has been available against American competition by heavy capital expenditures in loading piers at the mines and discharging plants in the St. Lawrence River, and by the provision of coal freighting vessels, specially designed for the St. Lawrence route. These large ships will take cargoes of from 10,000 to 12,000 tons, loading at the Sydney piers in 10 hours and discharging at Montreal in 20 hours, making the round trip from Sydney to Montreal and back in eight days.

Twenty-eight large vessels, aggregating 180,000 tons dead-weight, and with crews totaling one thousand men, are employed in coal freighting from Sydney in the present season.

Should Sell Ontario

So far as market is concerned, coal is just like anything else. If the demand is sufficient to absorb the output, the best market is generally at home. And in spite of all the specious arguments about the superior purchasing power of 113,000,000 people and the disadvantage of the limited market afforded by a population of only 9,000,000, the best market for Canadian coal is in Canada. The part of this market that may be called the home market of Nova Scotia, is at present limited to the Maritime Provinces, Quebec, and those parts of Ontario which are centred about Ottawa and Kingston. There is a neighborly area north of Lake Ontario that ought to be, and some day will be, included in the Maritime's home market. In this area are the cities of Toronto and Hamilton and a number of smaller cities and towns on the lake, or within easy reach of it, that should draw some part of their fuel supply from Nova Scotia.

Larger Production Needed

The facilities now existing in Nova Scotia are capable of producing 7,500,000 tons of coal per annum and last year the quantity sold was less than 6,000,000 tons. Thus a large part of the possible output did not find a market because users in the regions most accessible to the mines of Nova Scotia were able to buy coal imported from the United States at prices as low as, or lower than, the Nova Scotia operators could accept. The problem, then, is to overcome this and to substitute at least 1,500,000 tons of Nova Scotia coal for that amount of United States coal, that now comes to Eastern and Central Canada every year. And while this is being accomplished, means should be devised for a further extension in the consumption of Canadian coal, which could be met by a corresponding expansion in the output from the Nova Scotia field.

Price is Consideration

Price is the consideration that will have the greatest part in effecting this change, which should come about as soon as Nova Scotian coal can be laid down in most parts of these areas for about the same price as American coal, duty paid. Under proper conditions with respect to wages and cost of production this would be possible throughout a large part of the Maritime and eastern areas.

One step would be the substitution of coke, made from Canadian coal, for American anthracite. In Eastern and Central Canada, not including the Toronto area, the annual consumption of anthracite amounts to about 2,000,000 tons a year. To replace this by an equivalent quantity of coke alone, nearly 3,000,000 tons of bituminous coal would be required. As coke has more heat units than anthracite and large quantities of gas would be produced which might take the place of some coal, it is possible that the present consumption of anthracite might be replaced by the use of coke and gas produced by the carbonization of 2,500,000 to 2,750,000 tons of bituminous coal.

Thus the market for Nova Scotia coal might be extended so as to absorb 10,000,000 tons a year without touching the Toronto area. It is possible that an entry may be gained to the Toronto area before the Nova Scotia mines have reached the 10,000,000-ton mark if the operators succeed in reducing the cost of production. Improvement in method, increase of output per man employed, decrease in overhead, and all other charges that are lessened as output increases, may bring about a change sooner than is now apparent.

These are possibilities that should encourage everyone who is interested in any way in the prosperity of the Maritime Provinces. They can be converted into certainties only with the assistance of everybody so interested.

Lack of Orders

Alberta coal mines produced 74 per cent. of the possible coal output during recognized operating periods in 1926. In the preceding year only 69 per cent. of the possible tonnage was produced. The 26 per cent. tonnage loss during the year was due in the main part to lack of orders.

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Wright-Hargreaves President Optimistic at Annual Meet

NEW ACTIVITY CREATES STIR IN COLD LAKE

Further Discoveries in Sherritt-Gordon Area Causes Excitement

CONVINCING EVIDENCE

Operators Already in Field Are Rushing in Supplies and Equipment to Properties

By DAN E. CUSHING, Mining Editor

WINNIPEG.—Further discoveries of importance in Sherritt-Gordon area around Cold Lake, Northern Manitoba, have caused considerable excitement in Winnipeg. A great deal of new activity is going on while the operators already in the field are rushing in supplies and equipment.

Winnipeg people, who have visited Sherritt Gordon, state that they were frankly skeptical of accepting the stories circulated as to the immensity of the ore body, but returned home fully convinced that it is at least all that has been claimed for it, with possibilities of still adding materially to the length as well as the finding of parallel bodies.

Freight For Operations

Word from The Pas is to the effect that barely half of the amount of freight needed at Cold Lake for the season's operations has as yet been taken in. Transportation, however, is being speeded up. The Ross Navigation Co. recently imported three cars of horses and has now 150 teams on the job.

A stirring camp is in existence at mile 55, Hudson Bay railway, where materials, supplies and machinery are taken from the train and loaded on sleighs. Freighting is also very active on the other route via Sturgeon Landing to Mandy, Flin Flon and other points.

It is on the latter route that the big tractors of the company constructing the Flin Flon railway are operating. The work of these tractors has completely transformed the transportation system on this road.

Freight for Callinan Co.

C. B. Morgan, who hauled out the Mandy ore during the war years, has now entered this field and taken a contract for hauling in to Sourdough Bay the large quantity of freight required by the Callinan Co. in connection with the Baker-Patton property there.

J. P. Gordon has left for Mystery Lake, where the Roydon Mining corporation has a large group of claims, recently acquired from Rundle and Murray. Two diamond drills preceded him and he will see that these are properly set up for operation. Great interest is being taken in this company's operations as this is the first work to be done in an entirely new district.

Favorable Results Reported

It is reported that favorable results have followed operations on certain claims near mile 239, Hudson Bay railway. A discovery was made there several years ago, but no development was undertaken at the time.

A Saskatoon company has taken an option on the Isaacson group of claims a short distance in from mile 205. From these claims assays have shown very favorable returns. The company optioning the claims intends to have the property fully investigated during the present month.

While Cold Lake district still continues to attract most of the prospectors, old-timers in the district are arranging to go out to the northern end of Rainbow Lake, where, they claim, ground with good surface showings has not yet been taken up.

The new discovery near Cold Lake is said to be similar to that at the Sherritt Gordon. M. Chalette, an Indian, made the find while in company with other Indians. He reported it to officials of the Sherritt Gordon company who promptly inspected the find. Arrangements were made with the Indians to take over the property and a number of claims were at once staked.

Immediately the news of the discovery got around there was a rush of prospectors to the spot and already about 100 claims have been staked. Other prospectors are leaving from The Pas and more remote places for Cold Lake.

Made Original Discovery

Chalette, it is stated, made the original discovery at the Sherritt Gordon, but the claims staked at that time subsequently lapsed owing to the man who was to have reported the assessment work not having done so.

It is thought that the Indians in the district are in possession of valuable information regarding other mineral locations and now that there are so many prospectors in the locality are likely either to stake themselves or give the information to others. The chances of discovery by prospectors at any moment will probably induce them to divulge their secrets.

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His Big-Hearted Philanthropy Would Appear to be Centred Round Himself, with Little Regard for Serious Consequences of "Letting In" Trusting Investors

There are no more big-hearted individuals than a certain category that follow the mining markets. These philanthropists have at all times the well-being of investors in mind. We have recently seen a most appealing letter sent out by one of these gentlemen to the Canadian investing public. The writer is "strong for the home people to get all the inside initial profits possible from Canadian mineral developments." He has "learned in confidence that an 'inside' syndicate or group is now forming to sponsor the listing on recognized exchanges of one of the most promising and meritorious young mining enterprises in Canada—an enterprise that is progressing rapidly and making good. A limited number of the syndicate units are being placed with mining investors at $2,250 each and when completed the syndicate will control 1,000,000 shares." Membership in this syndicate is by special invitation but the writer, in his bigness of heart,—is planning to secure a few invitations for his clients. Before asking for a specific allotment, however, he requests that the investor write him on his business or professional stationery, giving his bank or business references, and at the same time advising him he is in a position to speculate to the extent of $2,250 or more in cash. He states he must show some evidence to show the syndicate that a number of his readers are able and willing to join the syndicate.

We have no doubt that his readers will be let into the "inside" of the syndicate. In fact the message has all the ear-marks to indicate that those accepting the invitation will be badly "let in." Apparently, the day of the high-pressure mining stock salesman has not yet passed, and the Canadian investor still has need to exercise caution in the investing of his funds in Canadian mining developments.

CABANA SAYS MINE FUTURE NEVER BRIGHTER

Wright-Hargreaves President Comments on Heavy Selling of Stock

"It is the belief of the management that Wright-Hargreaves has a very bright future. The property is in good shape and the low mill heads reflect only a period through which other properties have passed and must pass," the president of the company, Oliver G. Cabana, stated at the anual meeting held in Buffalo this week.

"We are satisfied," he said, "that Wright-Hargreaves' future is as bright as it always has been, while admitting that the market value for the past few months as far as all mining stocks are concerned, is extremely high, the public have apparently discounted the future."

The total number of shares represented in person or proxy was 4,060,000 out of 5,500,000 on the market. The meeting was a harmonious one and none of the dissension that had been prophesied was in evidence. All questions raised were answered to the complete satisfaction of all present. A unanimous vote of confidence and appreciation was extended to the officers and directors for the manner in which the affairs of the company had been conducted throughout the past year, as well as from the beginning of operations.

Announcement was made of the reduction of the board of directors from six to five members. The entire board was re-elected. They are: Oliver G. Cabana, Jr., president; Edwin Lang Miller, William H. Wright, James Y. Murdock and Oliver G. Donaldson.

Mr. Cabana, in his address, stated that he had nothing to add to or deduct from the resume of year's operations already sent forward to shareholders. Referring to the market activities of the company's stock, he said this was a matter over which the company had no control, nor would it exercise control if it did possess the means, as it recognized the right of each shareholder to deal with his stock as he saw fit.

Comments on Liquidation

Commenting on the liquidation of Wright-Hargreaves shares, Mr. Cabana said:

"As early as July, it was publicly known and commented on that Wright-Hargreaves mill heads were not as high as the year previous, and it was not until December, when the final liquidation by two directors of the company, since resigned, took place and there was some wholesome selling. Outside of these blocks, however, and lots influenced by their action, there was very little selling from Buffalo.

"Due to the capital change last spring, by which procedure each stockholder of one old share received two of the new, considerable activity developed in the stock, inasmuch as a good many of the Buffalo stockholders who had 25c. and 50c. stock, sold their additional allotment. The records show that practically everyone sold more or less of their holdings. This is also true as far as the directors of the company were concerned.

"There were practically no Canadian shareholders who had purchased at this low figure, with the exception of one who was one of the original owners of the property, and who sold none of his shares, and, hence it was logical that the selling came from the Buffalo shareholders.

"In addition, one of our directors died in the second quarter, holding a substantial block of our shares and leaving his estate in trust, and the trustees found it necessary to liquidate these holdings in order to convert the estate into securities proper for investments by trustees. The directors who sold their holdings and resigned were replaced by two Canadian directors, Mr. Wright and Mr. Murdock.

"The officers of the company are engaged in other activities and some of the companies in which they have large investments, increased their stock during the year, and in order to maintain their proportionate interest in these companies found it necessary to subscribe for more stock and liquidate other holdings to some extent, including holdings in this company. However, this liquidation was comparatively small in proportion to other selling and at a time when the stock was in demand, and the officers with the principal Canadian shareholders still own practically one-half of the shares of this company.

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Kirkland Lake Strike of Ore is Reported

Kirkland Lake Gold is reported to have made an important strike on the 2,725 foot level indicating an important ore body. Values across the face are said to average $50, and the vein is from 15 to 20 feet wide.

Kirkland Lake's production for the month of February, it is said, will show an increase of $15,000 over January.

Ramore Development To Begin at Once

Ramore Gold Mines, adjoining the Brett-Trethewey in Barnett Township, is about to commence development work. Operations on the Brett-Trethewey have been under way since early in the winter, and are reported to be progressing favorably.

Results obtained from operations carried out in the township this coming summer will go far to determine the future prospects of Barnett Township in which prospectors have located much promising mineralization and spectacular values in surface.

The geological conditions in Barnett are very similar to Kirkland Lake, and the mineralized zone runs parallel to the Kirkland Lake main break, although some 18 miles distant.

Begin Diamond Drill on Picard Gold Mines

Diamond drilling has started on the property of Picard Gold Mines, Woman Lake district. The vein on the property has been traced for a distance of a quarter of a mile and carries encouraging values in gold.

It is proposed to sink a shaft and undertake underground development if the results obtained from diamond drilling prove sufficiently encouraging.

Traprock Co. Promises Bruce Mines Development

The Dominion Traprock Co. has taken over the property of the Bruce Mines Traprock Co., and plans immediately to resume operations. The new concern has taken over the entire business, having assured the Government that it will commence active operations at once in return for a $50,000 grant for dredging at Bruce Mines Harbor. One hundred men will be placed at work at once and sounding will be taken in the harbor to prepare for the dredging. The company will at once open a new 100 foot rock face 1½ miles from the waterfront, and a $10,000 spur line will be constructed. In all the company guarantees to spend $185,000 in reconstruction work. Its output for the first five years has been sold to a firm in Cleveland.

COPPER IN U.S.

The output of copper mines in the U.S. in January was 68,728 tons, as compared with 76,198 tons in the corresponding month of the preceding year, and 71,026 in January, 1926. There is a small increase in stocks of refined copper compared with a year ago.

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LEBEL ORO IS OPTIONED TO NIPISSING

New Company to Have 3,000,000 Dollar Share Capital

ORE GRADE IMPROVES

Vein Widens Until Now Its Width is from Six to Nine Feet

The property of the Lebel Oro Mines, Kirkland Lake, has been optioned to the Nipissing Mining Company. At a meeting of the Lebel Oro shareholders this week, the agreement entered into by the directors of the company with Nipissing was unanimously ratified by the shareholders. Under the agreement, the Nipissing Co., after taking over the property and expending certain monies in development work, will become entitled to incorporate a new company, in which title to the property will be vested. The new company will have an authorized capital of 3,000,000 shares of one dollar par value each, of which Lebel Oro is to receive 1,499,995, Nipissing 300,005, and the remaining 1,250,000 is to be issued in the name of the Nipissing Company to be held in trust for Lebel Oro, subject to an option of the Nipissing Company to purchase the block, or any part thereof, at 50c. per share payable to the new company as follows: $5,000 on its incorporation, $5,000 per month from February 15, 1929, to February 15, 1930, and $7,500 per month thereafter until payment in full.

The option provides that until its surrender or termination, the Nipissing Company will continuously carry on exploration, mining and development work on the property. The Lebel Oro Company reserves the right, during the option period, of nominating to the board of directors of the new company two of its five directors. It also reserves the right during the option period of access to the property for the purpose of inspecting the workings, assay plans, reports and assays.

When the deal has been analyzed it will be seen that it has been a most favorable one for Lebel Oro. Under the agreement Nipissing is committed to spend $30,000 in development work. It then has the option of returning the property to Lebel Oro, or if it wishes to continue with its development, it must spend a further $20,000, when it will become entitled to incorporate the new company.

Lebel Oro is to receive 1,499,995 shares in this company which gives it share for share of its present capitalization, and a 50 per cent. interest in the future development of the mine. Nipissing receives 300,005 shares, or a ten per cent. interest, and to get control of the company must pay 50 cents a share for the remaining 2,700,000 shares.

Meanwhile Lebel Oro retains its identity as an independent body, and is placed in the position of a holding company with a substantial amount of cash, some $100,000 on its treasury, and in the event of the option being fully exercised, it will own a half interest in the new company, plus $600,000 in cash paid into its treasury.

Nipissing's decision to take over Lebel Oro has largely been influenced no doubt by the favorable results obtained since operations on the Lebel Oro were resumed at the beginning of last November under the direction of Wm. T. Murdoch, formerly with the Tonopah Mining Company. Under his direction, the shaft which was down to a depth of 200 feet, was dewatered, and over 429 feet of drifting and 317 feet of cross-cutting carried out.

The total underground development work now amounting to 1,300 feet consists of 860 feet of drifting on veins and 440 feet of cross-cutting. The development work carried out on the 200 foot level has proved most encouraging.

Nipissing's entry into the eastern end of the Kirkland Lake camp should react favorably on the stock of neighboring companies such as Bidgood, Moffatt-Hall, Cambro, Conroyal and others.

Between two and three ounces of silver per ton have also been obtained in some of the assays.

Over 400 feet of good grade ore has been developed on this level and drifting is continuing with splendid values. Mineralization carries into the walls for a considerable distance and the general formation and structure give the appearance of persistence in this deposit to a great depth. Cross-cuts driven north-west and south-east of the main vein, with the object of intercepting other parallel veins have cut four new veins and it is expected that a fifth will also be intercepted. A vein cut in the south-east cross-cut gave values of $12 over four and a half feet. This vein was drifted on and values up to $67 per ton were secured.

An important new discovery was made on the surface about 650 feet north-east of the working and it was proposed to drive a cross-cut from the present workings to intercept this find at a depth of 200 feet.

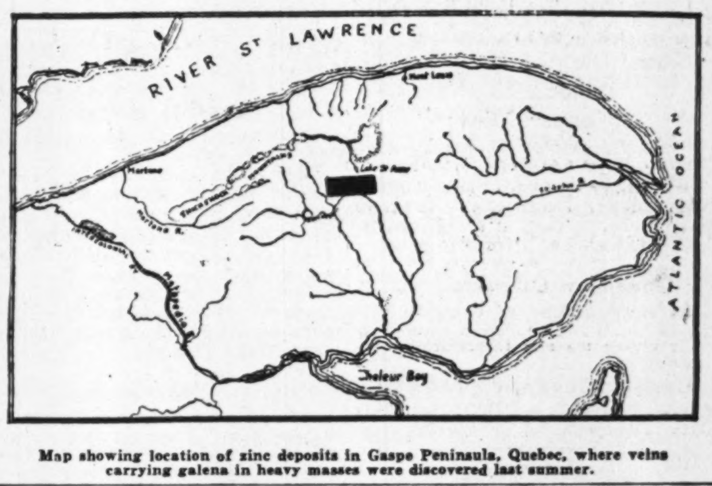
Nipissing Geologist

The Lebel Oro property was visited by Cyril Knight, the Nipissing geologist, early in the year. Mr. Knight made a thorough examination of the property and sampled it. It was on the strength of Mr. Knight's report that the present deal was put through.

The entry of Nipissing into the eastern end of Kirkland Lake will serve to focus public attention on the mines in this vicinity and will re-act to the benefit of the neighboring Bidgood, Moffatt-Hall, King Kirkland, Pawnee Kirkland, Cambro and others.

It is officially announced that Wiltsey-Coghlan Mines Ltd. have acquired an important property in the Sudbury mining district lying between properties of the Sudbury Basin Mines and Sudbury Contact Mines.

Lead Zinc Area in Gaspe



Map showing location of zinc deposits in Gaspe Peninsula, Quebec, where veins carrying galena in heavy masses were discovered last summer.

Begin Exploratory Work on Dunkin-McBain Claim

Exploratory surface work is being carried out on the Dunkin-McBain property, Red Lake, where very attractive surface showings have been uncovered. Supplies are being rushed into the Red Lake camp by teams and tractors over the winter roads, and the transport will be kept working to capacity until the arrival of the spring break-up. Passengers, express and mail are taken in by aeroplane.

It is the intention of the Dunkin-McBain Company to carry on extensive development work during the coming summer when underground work will be energetically pushed forward. Alex Gillies, mine manager, has placed an order in Toronto for machinery and material, and plans to increase the number of men now working on the property.

WILT-COGHLAN DRILL RESULTS ARE PUBLISHED

Great Interest in Property Because it is Near Noranda

A progress report setting out the results obtained by the diamond drilling program carried out by the Wiltsey-Coghlan Mines, on its Rouyn property, since last November, has just been made public by the company. The report will be read with much interest in view of the property's close proximity to the Noranda Mines.

The preliminary program called for the sinking of 14 shallow holes, and a total of 5,785 feet of drilling. Eight holes with a total footage of 3,207 feet have been sunk to date. No commercial ore has been encountered, but conditions disclosed at depth indicate that mineral concentration will be intersected, though at a greater depth than has yet been touched. There is at the same time a possibility that commercial ore will be encountered in some of the shallow holes that remained to be drilled.

The last hole completed, shows mineralization, heavy in some sections, over a width of 63 feet, with some chalcopyrite, and a study of the other holes shows that as the schisted zone was approached, the condition for mineralization improved.

From the pilot holes sunk to date, evidence has been obtained clearly indicating features of strike and dip, vital to the proper carrying out of a deep drilling program that is to follow. The information secured has also considerably modified the original ideas based on the surface survey. All the evidence obtained points to mineral concentration in the contact of the schisted zone with the drag fold area as suggested by Dr. Cooke, geologist of the Quebec department, when dealing with the Noranda Mine.

It is estimated that the preliminary drilling program will be completed about the end of April, and it is then proposed to make a fresh study of the surface in combination with the diamond drill data before laying out the deep holes.

Four Drills Are Operating on Sherritt-Gordon Shaft

Four drills are operating on Sherritt-Gordon and the shaft is now down 20 feet. The shaft is being sunk by hand steel and rapid progress is being made so that when the necessary equipment arrives everything will be in readiness for sinking the two shafts to depth.

About 150 teams and several tractors are now engaged in rushing in mining machinery and supplies so that no delay will be occasioned by the spring break-up.

Sherritt-Gordon is attracting much attention. It is one of the most promising of the prospects in the Manitoba field. The length of the Sherritt-Gordon deposit has been estimated at from 12,000 feet to 15,000 feet, and it has been estimated that this contains two million tons of ore to the 200 foot level and 20,000,000 tons to a depth of 2,000 feet. The latter estimate is based on the assumption that mineralization persists to depth.

KEELEY SILVER PRODUCTION

During the three months ended Jan. 31, 1928, Keeley Silver Mines produced 159,070 ounces of silver, and 17,868 pounds of cobalt, according to the official statement issued by the company this week.

Good Progress Made at Harker Mine

Good progress is being made in the work of de-watering the shaft of the Harker Gold Mine. The shaft is down to a depth of 500 feet and water has been cleared from it to a depth of 250 feet. Supplies are now being rushed in by the winter roads and as soon as the shaft has been pumped dry, development work will be started on the 500 foot level.

ONTARIO MINES' JANUARY OUTPUT SHOWS INCREASE

Compared with December, Bullion Value Recovered Indicates Decrease

Returns received by the Ontario Department of Mines from the gold mines of the Province for January show a marked increase over the output of the corresponding month in 1927. As compared with December there was a slight increase in the aggregate of ore milled and a considerable decrease in value of bullion recovered. The total was 377,159 tons milled in January from which $2,983,355 worth of bullion was recovered as against 369,161 tons and $3,400,463 recovered in December. The record for January, 1928, was much above the average for the 12 calendar months of 1927.

The record by camps showed that the Porcupine area increased the tonnage milled and decreased the value of bullion recovered as compared with December, while Kirkland Lake showed increases for both tonnage and value. During the period the Gold Hill mine which started its 70-ton mill on September 1, reported its first clean-up from mill operations.

During January producing mines in order of output were as follows: Porcupine (7): Hollinger, McIntyre, Dome, Vipond, Ankerite, and Paymaster. Kirkland Lake (10): Teck-Hughes, Lake Shore, Wright-Hargreaves, Sylvanite, Kirkland Lake Gold, Barry-Hollinger, Tough-Oakes, Associated Goldfields, Argonaut, and Gold Hill.

Receipts of crude bullion from Ontario at the Royal Mint, Ottawa, for January totalled 187,679.93 crude ounces containing 146,364,134 fine ounces of gold and 26,284.59 fine ounces of silver having a total value of $3,026,574.21.

The following table sets out the monthly output of the Ontario gold mines, and the gold and silver values:

Source and Period	Ore Milled Tons	Total value Crude Bullion
Porcupine—		
*Calendar year 1927 ..	3,480,251	$23,681,642
Average per month ..	290,021	1,973,470
January, 1927	292,484	1,926,908
January, 1928	294,343	1,956,969
Kirkland Lake—		
*Calendar year 1927 ..	793,532	9,727,605
Average per month ..	66,128	810,634
January, 1927	50,696	600,354
January, 1928	82,816	1,026,386
*Total for calendar year 1927	4,273,783	33,409,247
Aver. per month, 1927 .	356,149	2,784,104
Total for Jan., 1927 ..	343,180	2,527,262
Total for Jan., 1928 ..	377,159	2,983,355

*Subject to revision.

Explanation is Given for Pooling Stocks

The reason underlying the pooling of mining stocks has been the subject of many inquiries on the part of our readers. The following explanation sets out in a clear manner the reason and advantage of pooling shares:

"The fundamental reason for pooling a stock is to protect the market for that stock by preventing too many shares from being offered for sale at the same time, thus preventing a fall in the price of the stock which clearly would be detrimental to the credit of the company and the value of the investor's equity.

"Stock is pooled, therefore, in order to ensure a firm and strong market for the shares.

"A pool in a mining stock means that certain of the heavy shareholders enter into an agreement to keep certain blocks of stock off the market. Consequently when public demand develops, the demand may be greater than the supply and the quotations may have a tendency to advance. It is very often the case that when markets advance, the 'pool' does some selling, and when markets are weak the 'pool' may buy. This is sometimes helpful in keeping quotations on a more or less even keel."

Extensive Workings are Being Developed in Gaspe Peninsula

Number of Prominent Mining Exploration Companies Are Interested

VALUES NOT PROVED

Last Summer Provincial Government Built Number of Roads Through Mineralized Belt

The attention that mining development in the Northern Ontario and Quebec, Sudbury, Manitoba and British Columbia has attracted, has diverted public attention from the extensive development that has been carried out in the Gaspe Peninsula, Quebec.

The opportunities offered by this district have not been overlooked by a number of prominent mineral exploration companies, however, and extensive operations have been carried out in this area by Pioneer Mining Corporation of Canada, the National Smelting Company, British Metal Corporation, Phelps Dodge, Harvie Mining Corporation, M. J. O'Brien, Mineral Exploration, Cascapedia Mines and other companies.

The mining development that has been carried on here, is set out in the following bulletin just issued by the Canadian Department of Mines, Geological Survey.

The year 1927 saw considerable activity, according to Dr. F. J. Alcock of the Geological Survey, in the zinc-lead area of central Gaspe. Interest was first aroused in this field in 1910 and in subsequent years a considerable amount of development work was carried out. The area lies in the interior of the peninsula forty-six miles from the nearest railway, the Quebec Oriental, which skirts the north coast of the Baie de Chaleur. For a number of years most of the claims were held by the Federal Zinc and Lead Company and the North American Mining Company. Large sums were spent by the former in building a road to its property and in underground and surface development, and in all, over two thousand feet of drifting and crosscutting was done.

The deposits are in the form of veins and breccia zones in limestone and argillaceous sediments of Lower Devonian age. The ore minerals are sphalerite and galena in a gangue of quartz and carbonate, and show very low values in silver and gold.

In 1925 the Pioneer Mining Corporation of Canada entered the field and took up holdings. Late in the following year the National Smelting Company took an option on the Lyall and Biedelman and the Federal Lead and Zinc Company's holdings and work for them was commenced by the British Metal Corporation (Canada). The winter and spring of 1927 saw a number of other companies enter the field and take up claims. These included the Phelps-Dodge, Harvie, Mining Corporation, M. J. O'Brien, Mineral Exploration, Cascapedia Mines and other companies.

Work was carried on by the British Metal Corporation on the Federal and the Lyall and Biedelman holdings until April. Eleven diamond drill holes varying in depth to 700 feet were drilled before the work was discontinued, and veins were encountered in some of the holes while in others the results were less satisfactory. The amount of work done, however, was not sufficiently large to prove or disprove definitely the value of the main showings.

In the summer of 1927 prospecting continued throughout the region. On Block B of the Lyall and Biedelman claims a large new vein carrying galena in heavy masses was discovered. A number of other veins discovered on the Federal and the Lyall and Biedelman claims make these properties more attractive than before.

The Pioneer Mining Corporation conducted active development until November; mapped, prospected and trenched their claims, and drove a long exploratory tunnel. In the course of this work a number of mineral occurrences were located and one zone was traced for 2,000 feet. The overburden was so heavy, however, that the trenches did not get down to fresh material; and the exploratory tunnel designed to reach it was not continued far enough. Though nothing of proved value has been developed, the indications would warrant the continuation of the work should development proceed in other properties in the area.

The North American Mining Company and Gaspe Mines, Limited, have both uncovered new veins on some of their claims during the past summer and further work will doubtless be done during the coming summer. Prospecting by the other companies was more disappointing, nothing of importance being discovered. The region is one, however, which presents many difficulties to the prospector. It is wooded, has a thick overburden so that outcrops are few, and prospecting has to be done by tracing float and by trenching. During the past summer the provincial government built a number of roads through the mineralized belt, and it is expected that during the coming summer a renewed interest in the field will be taken.

English Syndicate Buys Woodbine Gold

Barrett and Company, Winnipeg, fiscal agents for Woodbine Gold Mining Company, report that an English syndicate headed by the Duke of Devonshire, former Governor General of Canada, Sir Kenneth Crossley, head of Crossleys Limited, one of the largest automobile manufacturers in the British Empire, and Viscount De Vesci, prominent Irish land owner, have purchased 500,000 shares of Woodbine Treasury shares from J. B. Watson, president of the Woodbine Gold Mining Company, according to cabled advice from Mr. Watson, who is at present in London. This is probably the most noteworthy recognition of Canadian Mining development by British Capital for many years, and would indicate that the nation-wide interest Canadian mines have aroused in the Dominion, is making itself gradually felt in the Old Country.

N. A. TIMMINS CONTINUES WORK ON GOLD BELT

Now Has Until August to Decide if to Take Up Property

It is reported that the option of N. A. Timmins, Inc., on the Kirkland Gold Belt property, the old Wood Kirkland, has been extended to August. A crew of men have been employed on the property all winter sampling, but the heavy snow fall and the swampy nature of some of the ground has badly handicapped the work.

When the snow has gone, working conditions will be much more favorable, and permit of a thorough survey of the entire property.

Reports are that the results so far obtained have been encouraging, and it is generally believed that Timmins is in Kirkland Lake to stay.

Camp Activity Grows

With Nipissing definitely committed to an extensive development program on Lebel Oro, having this week exercised its option on the property, and the probability of the Timmins people taking over the Kirkland Gold Belt, the importance of the eastern end of the Kirkland Lake camp becomes more marked.

It will be the scene of much activity this spring and summer with active development going on from the outskirts of the permanently established Kirkland Lake camp eastward to Argonaut Station, and on through the Larder Lake district to the Quebec border. Properties on which exploration and development work will be carried on, will include Conroyal, Cambro, Pawnee Kirkland, Lebel Oro, Continental, Kirkland Eastern, Federal Kirkland, Kirkland Gold Belt, Bidgood, Moffatt-Hall, Murphy, Ritchie, Lebel Lode, and others.

In the western end of the camp, operations are being carried out on the Macassa, and drilling is going on on the Kirkland-Hudson Bay property.

Plan Development of Kozak Property

Arrangements are reported to have been completed for the development of the Kozak property in the Goudreau area. Toronto financial men are said to have made a deal with Norman Paxton of New York, the holder of the option.

The erection of camp buildings is to start immediately preparatory to the carrying out of diamond drilling. The silver-gold discovery on this property was largely responsible for the rush into the south Goudreau area last summer.

Increased Capitalization of Blue Quartz Approved

The appointment of Boyd Caldwell as mine manager of Blue Quartz Gold Mines was announced at the recent annual meeting of the company. Mr. Caldwell was formerly associated with the O'Brien Mines and with the International Nickel Company.

An increase in the capitalization of Blue Quartz Gold Mines from $3,000,000 to $5,000,000 has been approved by the shareholders. The company has acquired a block of 160 acres adjoining the original property on the east. The following have been elected to the board of directors: H. C. Crow, president, Barry Hollinger Gold Mines, Toronto; W. W. Butler, president, Canadian Car and Foundry Co., Montreal; John Hallam, president, John Hallam Limited, Toronto A. G. Parker, director W. J. Gage Co., Toronto; J. A. Tuck, M.D., Toronto; A. J. Bolton, Toronto; J. H. W. Crow, Birmingham, England.

More Equipment Installed by Central Manitoba Mines

Central Manitoba Mines is recorded to be installing additional equipment which will bring the mills' daily capacity up to 150 tons. Some 3,100 tons of ore, with an average head of $7.75 a ton, were put through the mills in December. The property has been opened up to below 600 feet by three shafts with the main ore chute located in the Kitchener claim. Drifting is now proceeding in good ore eastward from the Tene No. 6 shaft, and values are said to run around $11 a ton.

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OWNERS OF MINES IN CLERICY AREA FORM ASSOCIATION

Dunwirk Inn is Model Club for Social Life and Mutual Interest to Community

The aggressive up-and-doing spirit of the North land with its characteristic tendency of exerting every effort to promote the development of the country, and at the same time make living and social conditions as nearly perfect as natural handicaps will permit, is exemplified by the recently organized Clericy Mines Association.

The Association was organized by the several mining companies operating in the Clericy district for the purpose of securing co-operation in matters of general interest to the whole community.

"Dunwirk Inn" is tangible evidence of the results obtainable by whole-hearted community effort. Here, where but a short time ago the wilderness held sway, a commodious club house has been built.

It is a centre where men can meet and feel at home. Locker rooms and shower baths afford an opportunity to slip out of the mining garb and into civies, while a well supplied reading room provides a close connection with the latest doings "outside," and a quiet writing room completes the appointments of a very fine club.

The Association's scope is much wider than the mere social needs of the community. It will form a sort of Board of Trade, for the district and will act as a unit in securing adequate road, telephone, train and telegraph service, and in all other matters of mutual interest. At the same time it will maintain a Publicity Bureau to broadcast news that will serve to attract attention to the development going on in the district and the merit of the different companies operating there.

Companies operating in the district at the present time include Copper Hill Mines, Windfall-Rouyn Mines, Maybell, Frontenac, Locarno, Island Finance, Cyclone Rapids, and Cartier mines.

A recent bulletin issued by the association calls attention to a district "where amply financed and capably managed mining companies are making an earnest effort to locate commercial bodies of ore" and adds that the widespread mineralization which is the feature of this great territory, offers possibilities possessed by no other township in northern Quebec and the geology is extremely favorable to ore depositions."

WALSH-KATRINE IS PROGRESSING, AVERS OFFICIAL

In Ideal Position to Put Ore in Sight Rapidly

The efforts of the Walsh-Katrine Gold Mines, Ben Nevis Township, are now being concentrated on putting ore into sight and reports from the mine indicate that very satisfactory progress is being made. Operations in the past have been largely confined to the work of shaft-sinking and cross-cutting to prove up the vein system.

The Financial Post has been officially advised that number two vein is being opened up on the 250 foot level both to the east and west of the cross-cut. This vein varies in width from four feet to the full width of the shaft. Values have run as high as $43 over the full width while an average value of over $12 has been obtained for a length of 150 feet with ore still in the face. Work on this level is rapidly opening up an ore body which is shown on the surface and has been intersected by diamond-drilling. The vein is also strong on the 500 foot level and it is expected to produce ore as soon as it is opened up by drifting.

The management expects to open up Number Two vein on the 250 foot level for about 300 feet and then cut Number Four vein on the 140 foot level. Just above this level, number four dips out of the shaft and at that point gave values of $8 and $12 over a width of six feet.

The present plant has enabled operations to be carried out to better advantage and with greater speed on the upper levels, but when Number Four has been opened up on the 140 foot level, it is proposed to make some slight changes in the plant, before opening up the 375 and 500 foot levels and sinking the shaft to a depth of 750 feet.

An official of Walsh-Katrine Mines recently informed The Post that the outlook for the mines was very promising. He stated, "We are in an ideal position to put ore into sight rapidly, as we have about ten faces which we can work on. The veins in all cases have shown values on surface and in diamond-drilling. We have been operating steadily since last Fall and we have funds on hand to the extent of double our requirements. We are getting a very good price for our stock and when we have a mine, the dividends will be paid on a lower capitalization than many who are considered fortunate."

New Drill Compressor Ordered for Amulet

Amulet is going ahead with mill plans and it is likely that the material will be on the ground for a start as soon as the snow goes. In regard to the mine a new 10 drill compressor has been ordered. When this arrives, the north No. 4 shaft will likely be enlarged from a two to three compartment working. This development is near the centre of the property. New camps close to this shaft will be ready for occupancy next week. Work on the spur branch of the railway, it is expected, will be commenced at once.

Four diamond drills are working on the property. Two of these are exploring the zinc area south of the fault in the No. 4 shaft area. Two others are testing in various parts of the property and while no details of present operations are being given out, it is learned from authoritative sources, additional ore is being indicated in the work.

Gold Hill Company, Boston Creek, is driving a cross-cut to intersect No. 3 vein at 800-ft. It was cut by diamond drill and looks encouraging. It will be reached early next month.

Mining Inquiries

Wright Carroll

Kindly give me your opinion of the Wright Carroll Gold Mines.

Wright-Carroll Gold Mines may be considered an attractive speculation.

Central Manitoba

I have some stock in Central Manitoba Mines. Would you please give me your opinion on this stock?

Central Manitoba Mines look like an attractive speculation for a hold.

Pioneer Mines

I would appreciate your opinion on Pioneer Mines and Sudbury Mines.

We believe that both Pioneer Mines and Sudbury Mines offer attractive possibilities. They are, of course, both gambles, but attractive ones.

Canadian Oilfields Ltd.

As a shareholder of Canadian Oilfields Ltd., I shall be much obliged by your giving me any information concerning it.

Canadian Oilfields Limited passed out of existence a number of years ago. The stock is of no value.

Corona

Would you please give me any information you may have on Corona Mines?

Corona Mines are located in a very promising district from a geological standpoint. The stock may be regarded as a gamble with attractive possibilities.

Noranda

Would you kindly give me your opinion of Noranda, Don Rouyn, Ore Chimney Mining Co.?

Noranda Mines looks like an attractive speculation for a long hold. Don Rouyn is a gamble. Ore Chimney Mining Company is unattractive.

Equitable Oil

What do you think of Equitable Oil, Quebec Centre Mining Syndicate, Trethewey-Ossian?

Equitable Oil, Quebec Centre Mining Syndicate, and Tretheway-Ossian are all gambles. The latter may prove attractive.

Osisko

I would be very pleased to have any report or news you have on Osisko Mines.

There has been no news available on Osisko Mines of late. It would appear that the endeavor to find ore by drilling failed.

Rose Gold

Will you please give me any information possible regarding Rose Gold and Silver Mining Co.?

We have not heard of the Rose Gold & Silver Mining Company for some time. We are inclined to believe that this operation has passed out of existence.

Buffalo Rouyn

What is your opinion of Buffalo Rouyn? Have you heard they made a strike?

Buffalo Rouyn is like numerous other propositions in Quebec, a prospect only.

We have not heard of a strike being made recently on this property.

Noranda

Will you oblige me with your opinion of Noranda? I bought at $22 and at $24.70. The stock has since sold down to $18.25. Would you advise holding, or selling out and taking my loss now?

Noranda looks like a good speculation for a long hold. Forget about it and let the market take care of it.

Premier Gold

What do you think of Premier Gold, Teck Hughes, and Sherritt Gordon? Would you advise their purchase at present prices to hold for two or three years?

Premier Gold, Teck Hughes and Sherritt-Gordon are three excellent stocks, all of which should show appreciation over a term of years.

Wright-Hargreaves

I would like to have your opinion on Wright Hargreaves?

Wright-Hargreaves is a very excellently managed proposition in Kirkland Lake Camp, and if you will note in our issue of February 17th in review of the annual report and balance sheet you will be able to size up the outlook of the operations for yourself.

Amulet

Would you kindly give me your opinion of Amulet Mines? I hold 200 shares and 50 rights which I have taken up. Do you think I should sell, or is it good for a long hold?

Amulet is carrying out an energetic program of development, the property has been opening up well, and we feel the stock will return the shareholder a considerable profit, if he has patience and holds it.

Coast Copper

I have been strongly advised to purchase shares in Coast Copper. As I now hold a large block of these shares I would appreciate your opinion as to the advisability of purchasing more or selling my present holding.

We believe Coast Copper is a promising speculation. This company will be thoroughly covered in a special British Columbia Mining Issue, which we are publishing shortly.

Hollinger

What do you think of the following stocks: Hollinger, International Nickel, Premier, Noranda, and Ruth Hope?

Hollinger, International Nickel and Premier Mines are all dividend payers which hold promise of appreciation if retained over a period of years. Noranda has not reached that stage yet, but may be considered an attractive speculation. Premier and Ruth Hope also look good for a long hold.

Bidgood

I am interested in Bidgood, and would appreciate any information you can give me concerning this property.

A few weeks ago the writer paid a visit to the Bidgood property in Kirkland Lake and following that visit we published quite a number of articles in regard to Bidgood. Our conclusion was that the property was an excellent mining operation, in capable hands and one that was making very good progress. As far as we can see the only trouble with Bidgood is that it was overboomed in the stock market by brokers. Of course anyone who holds the stock, and has patience, should profit thereby.

Don Rouyn

I have been advised to buy some Don Rouyn shares. I would be grateful for any information you can give me regarding this mine.

Don Rouyn has a very good run in the Quebec area. The company is conducting an electrical prospecting survey of its property and has spent a great deal of money diamond drilling but seems to have failed to find any ore bodies.

Capital Rouyn

What do you think of Capital Rouyn and Potter Doal?

Capital Rouyn Mines may be considered a good gamble and Potter Doal is in same class. The increasing of the latter's capitalization will mean that larger earnings will be required when the mine is put on a dividend basis; at the same time, the increased capitalization may provide more capital for the speedy development of the property.

Harvie

I would appreciate your opinion on Harvie Mines. I bought this stock at 90 cents. I understand Harvie is to issue new rights. Would you advise me to take up the rights?

Harvie stock was selling somewhere around 90c. and $1 about the first of the year, and dropped to around 50c. but is on the ascent again. The outlook for the proposition is considerably better and we would suggest that you might find it profitable to take up the rights.

Premier Gold

Will you be good enough to advise concerning the prospects of the following mines and the probable value upon the basis of present indications: Pioneer, Barry-Hollinger, Bidgood, Kootenay-Florence, Abana, Premier Gold?

We believe all the stocks set out in your list will show appreciation if held over a term of years. Premier Gold is the only dividend producer in the list, but Abana, Barry-Hollinger, Bidgood and Pioneer are all attractive prospects.

La Salle Copper Gold

I would like your opinion on the following: La Salle Copper Gold Mines, Sudbury Copper Zinc Syndicate, and Woodbine Mines.

We do not consider La Salle Copper Gold Mines attractive. Sudbury Copper Zinc Syndicate is a gamble. Woodbine Mines is an attractive speculation. The property is situated in the Portland Canal mining division and a rich gold strike is reported to have been recently made on the property.

Premier Gold

What do you think of Premier Gold?

Premier Gold Mine in British Columbia is a very successful operation. It has been paying very large dividends, 32c. per share per year, for several years now and the property seems to be in excellent shape with several years' ore reserves ahead of the mill. Recently the company has acquired two additional properties, which are regarded as mines in the making and which will tend to prolong the life of Premier considerably.

Atlas

Please let me have your opinion of Atlas. What do you think of Bidgood, Howey, and Mandy Mines? Do you think Bidgood a justifiable hold at 75? On what exchange is Mandy listed?

Atlas is an unattractive gamble. Bidgood, Howey, and Mandy Mines all look like good speculations for a long hold. Bidgood has already sold over the price paid for it and we believe it will do it again. Reports from the Howey Mines are that development work is proceeding satisfactorily. Mandy has not been listed as yet.

Noranda

I am thinking of buying some Noranda and Wright Hargreaves. Would you give me some information about these two companies?

Noranda and Wright-Hargreaves are two very substantial and well sponsored operations. The former is a copper-gold proposition in Quebec, which got into production about the end of last year and which will undoubtedly increase in production during the present year.

Wright-Hargreaves, you will find well described in our issue of February 17, in which we review the annual report of the company.

Makmic Mines

What do you think of Makmic Mines? Is it a buy at 60c. a share? When is the Rouyn area coming back?

Makmic Mines, in Northwestern Quebec, is a mining gamble, probably being a little better than a newer prospect. It is quite difficult to say off hand whether the stock is worth 60c. a share or not. This would depend on how much of that 60c. is going to be available for actual mining operations and also the capital of the company. It is hard to tell when the public is going to turn its attention to the Quebec issues again. The outlook is that Northern Manitoba, British Columbia and the Sudbury area are going to be the popular camps for the present at least.

West Dome Lake

Could you supply me with some information on West Dome Lake? I have been told that the mine has good prospects and that a 500 ton mill is already built and ready for operation.

West Dome Lake is a speculation that has a good chance of developing into a producer. Some important developments have taken place recently that have put good ore in sight. The present mill has a capacity of 100 tons and the management hopes to renew milling in May or June. Provided sufficient ore is struck in the next few months to warrant such a step, an enlargement will be made to the mill.

Power and Mines

What do you think of Power and Mines Corporation? I was pestered by a salesman to buy 100 shares of common stock. He practically guaranteed 100 per cent. return in a year, so I bought. I have since learned there is a six months' pool on the stock.

It is rather unfortunate that you did not know as much about Power and Mines Corporation before you bought it as you do now. We would naturally think, however, that the fact that the salesman practically guaranteed you 100 per cent. return in the year would have aroused your suspicions and especially when the stock he was offering you was pooled. We do not like the proposition and can see no future to it.

Mining Corporation

As a subscriber to your valuable paper I would be glad if you would give me some information about Mining Corporation. Do you consider this a good buy for investment? What properties is Mining Corporation interested in?

Mining Corporation of Canada looks like quite an attractive speculation, and because of its substantial interest in the shares of Hudson Bay Mining Company and also because of the fact that the company has a couple of silver propositions, two in Cobalt, and one in South Lorrain, two of which are producing and are looking very well. The company passed up its dividends for several years but in the yast year or so resumed the rate of paying 25c. per share per year.

Nipissing

We would like to get some information about Nipissing. Do you recommend it at the present price?

Nipissing's old Cobalt property is on its last legs, and the company has been looking elsewhere for properties. Little has been heard of its south Lorrain operation, but our information is that it has opened out in an excellent manner, and when the price of silver comes back sufficiently to warrant full speed ahead on silver operations, this property will likely be heard from.

Nipissing took over the Robb-Montbray property in Montbray Tp., Quebec, and opened up considerable copper ore with an attractive gold content. Nipissing then formed Robb-Montbray Company, and sold enough of its stock to give it back all the money it expended on the operation, and leave it a substantial block of stock in the treasury. Nipissing has also been looking to other fields, and we understand that they recently staked an attractive group some 250 miles north of the Sherritt Gordon, in Northern Manitoba.

McIntyre

I have about $1,000 I would like to put into mining stocks but am at a loss to know what to buy. McIntyre, Lake Shore, Noranda and Amulet seem attractive at present prices, but a friend of mine advises Bedford and McDougall are a good gamble, as they both own shares of Sherritt Gordon, as well as valuable properties of their own. I would appreciate your advice in the matter.

McIntyre, Lake Shore, Noranda and Amulet are all attractive stocks; McIntyre and Lake Shore are both dividend payers, while Noranda and Amulet both give much promise for the future. Your friend was right when he said that Bedford and McDougall were good gambles. Of the list you have picked out, we are inclined to favor McIntyre, Lake Shore and Noranda, but as we have already said, each one of the stocks you have picked out shows promise for the future.

Big Missouri

A customer of ours is considering investing a small sum in Big Missouri. Have you any information regarding it?

Big Missouri is rather an interesting B. C. operation. It is in the Portland Canal area, to the north of Bush Consolidated. It has been known for years to have attractive mining possibilities, but up to the present has never had a real testing out. It is now under option to Consolidated Smelters, and our understanding is that Smelters will spend two million dollars on an exploratory and development program.

Alamac

A customer of ours is considering investing a small sum in Alamac Mines. Have you any information regarding this?

Alamac property is in the Abana section of Northwestern Quebec. There are a number of excellent speculations in this section of the area, but to-date, Abana is the only operation that has proven up a commercial ore body.

Mond Nickel

What do you think of Mond Nickel shares as a buy at present prices?

The shares of the Mond Nickel Company have just experienced a very substantial rise indeed. Nevertheless, it is our opinion that a business man might well place a small portion of the total funds which he has for speculative purchases in this stock. For a two or three year hold, Mond Nickel shares give many indications of appreciation. You should remember though that the stock is speculative and should invest in it only a sum in proportion to your other speculative holdings.

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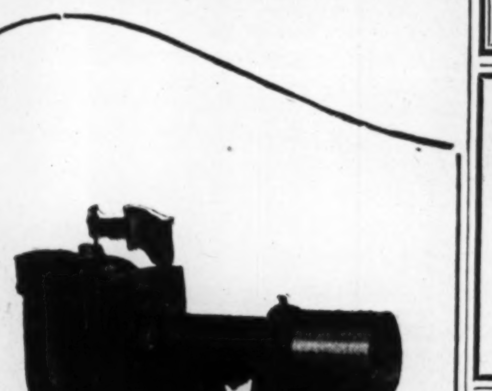

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Ritchie Gold Mines Makes First Offer at 40c. Per Share

Company is New Venture in Eastern End of Kirkland Lake

The first public offering of shares in the Ritchie Gold Mines, a new venture in the eastern end of the Kirkland Lake camp, is being made this week. The property is on the belt in Gauthier township where spectacular showings of high grade ore were uncovered a year ago.

J. C. Houston, consulting engineer, in his report on the property states that he considers it offers an excellent chance for securing commercial ore at depth. No. 3 vein he says gives evidence of being one of the major fractures of this section of the camp. Preliminary surface trenching revealed veins and breaks on the property assaying up to $13 a ton.

Word just received from the property is that No. 3 vein has been exposed for a width of 20 feet, and that assays over wide channel sampling of from four to five feet have given values up to $17 on surface.

Ritchie Gold Mines consists of a group of six claims of 240 acres located in the southeastern part of Gauthier township, immediately east and south of the Murphy Mines, and about three quarters of a mile from Argonaut Station on the Rouyn branch of the Nipissing Central Railway.

The development of Ritchie Gold Mines will be carried out under the direction of J. J. Byrne, vice-president and managing director of the company. Mr. Byrne, is well and favorably known throughout the North Country as a practical mining man. Ever since his Ottawa college days "Jack" Byrne has been associated with mining. His experience extends from the Cobalt camp, the Michigan copper country, Sudbury, Michipicoten, and Kirkland Lake. At the present time Mr. Byrne is manager of both the Northland and Pawnee Kirkland mines.

Ritchie Gold Mines is capitalized at $3,000,000 and consists of $3,000,000 shares of a par value of $1 each. The vendors, the Climax Mining and Investment Co., have received 1,000,000 shares for the property and there remain, 2,000,000 shares in the treasury. Gorrie MacDonald and Robertson have underwritten a block of 300,000 shares which are being offered to the public at forty cents a share.

Four New Quartz Stringers Found in Quebec Centre

Four new quartz stringers bearing both gold and copper values have been found in the north side of the mineralized zone of the Quebec Centre Mines, according to an official report from the company.

A shaft has been sunk on the No. 1 discovery, and the vein which had the appearance of a mere fissure on surface, has been found to widen steadily. Sample assays give encouragement for the locating of commercial ore bodies at depth.

Exploration work is being carried out under the direction of Mine Manager F. C. Lines. The working staff has been increased, and additional camp building erected for the accommodation of a two-drill compressor, hoisting, and general power equipment which the company expects to have installed by the middle of March.

Good Diamond Drilling Reported at Oriole

Favorable results are reported to have been secured by Oriole Mines in diamond drilling and surface work being carried out on its property in Montbray Township, Quebec.

Sudbury Contact to Start Diamond Drilling Shortly

Diamond drilling will start on the property of the Sudbury Contact Mine about March 1, according to an announcement of the management. The drills are now on the property and all necessary pipe lines have been laid.

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Tons of Supplies Go To Gem Lake

From Our Own Correspondent

WINNIPEG. — Plant and equipment including two steam boilers, drill compressors, hoist, powder, and about forty tons of supplies have arrived at end of steel at Great Falls to be transported over 45 miles of winter road to Gem Lake Mines by fifteen teams and two crawlers.

Mine Manager Harry Donaldson, manager of the property reports a crew of men are now at work enlarging existing camps to accommodate thirty men and erecting a power house, store houses, assay offices and stables.

Active development of the property will be commenced at once following out the recommendations of Douglas Wright.

Spooner No. 1 Proves to be Real Gusher

CALGARY.—At exactly the same depth in the lime as the famous Royalite No. 4, Spooner No. 1 well, in Turner Valley, struck into big production of wet gas under enormous pressure on Saturday. Without any warning, the gas burst out on the drillers, forcing huge quantities of rock, lime and dirt high over the derrick. The drilling tools were shot up in the hole, where they fouled the cable and shut off the greater part of the flow. This is the fifth time in little more than a week that the number of productive wells in the valley has been increased.

Reserves of Amulet Ore Estimated at $15,000,000

Semi-official estimates of the Amulet ore reserves have been placed at $15,000,000. It has recently been intimated that the new ore bodies being opened up from developments now under way, indicate the possibility of adding nearly $8,000,000 to the present ore reserves already blocked out.

Laval-Quebec

I hold 1,000 shares of Laval-Quebec. Do you consider this a good hold?

Laval did not do well in Quebec. It has now switched to west Sudbury. It is to be considered a speculation.

GEM LAKE MINES ISSUES TO PUBLIC 3,120,000 SHARES

Consulting Engineer Says Property is of Great Prospective Merit

Manitoba appears to be the favorite province with investors in gold and copper stocks at the present time, and public attention is largely focussed on developments and prospects in the northwestern and central Manitoba areas. The public offering of shares in Gem Lake Mines this week, will divert attention to the possibilities offered by the mineralized zone along the Ontario-Manitoba border.

Gem Lake Mines own aproximately 2,600 acres straddling the interprovincial border, and the properties are situated on the same mineralized belt as the Central Manitoba, Eldorado, and San Antonio mines in Manitoba, and the Howey Gold and Jackson Manion mines in Ontario.

The original discovery of the Gem Lake deposits was made in the summer of 1926. Since that time over $140,000 has been spent on surface development work and the acquisition of properties. To date there has been uncovered a mineralized zone of approximately 1,000 feet in length and 150 feet in width, with several quartz veins which carry consistently high values in gold.

The property has been examined and sampled by several well known engineers, including Cyril Greenland for N. A. Timmins Incorporated and Douglas G. H. Wright, for the present underwriters.

After the sampling of the property by their engineer and on the strength of his report, N. A. Timmins Incorporated, are reported to have purchased a substantial interest in the property.

Mr. Wright reports "The Gem Lake property is one, if not the most, outstanding prospect in the non-producing stage in the Central Manitoba Gold area and is of great prospective merit."

Gem Lake is approximately 16 miles from Central Manitoba Mines, 45 miles from Howey Gold, and 60 miles from Jackson Manion. Central Manitoba has been producing gold since last fall, Howey Gold is fast approaching the production stage, and the Jackson Manion Mines are now ready to sink preparatory to opening up ore bodies indicated by diamond drills.

Mr. Wright has recommended the carrying out of further extensive surface exploration for the purpose of acquiring a greater knowledge of the present known ore body, the placing of the work in the best technical hands, the erection of an assay plant, a complete geological mapping of the properties, and their development to the stage where the erection of a mill would be justified.

He states that due to the conservative policy being followed, the immediate sinking of a shaft is not recommended until further surface work discloses the proper place for its location, and obviates the necessity of a prospect shaft.

Gem Lake Mines have a capitalization of 4,500,000 shares of no par value, of this 3,120,000 shares are to be issued for the properties and to the public. The stock is offered to the public at 40 cents a share and when present financing is completed there will be $350,000 in the treasury, and 1,380,000 shares for future financing. The company's engineers have advised that present financing will be sufficient to carry the mine development to a point where a mill will be justified.

The development of the property will be carried out under the direction of Harry L. Donaldson, with Messrs. Wright and Boydell as consulting mining geologists.

The directors of the company are: T. C. Anderson, director Central Manitoba Mines; Clifton Moore, merchant, Cobalt; James Savage, president Buffalo Crushed Stone Co., Buffalo, N.Y.; W. S. Kickley, general manager, Dominion Motors, Winnipeg; Chas. S. Morrow, president, Morrow & Co., merchants, Toronto; and W. J. Boland, Macdonell & Boland, barristers, Toronto. There remains one vacancy on the board which will be filled later.

In offering the shares to the public the underwriters state that they rely on Douglas G. H. Wright's report that the property is one of great prospective merit, and recommend the purchase of the stock as an attractive speculation.

New Four-Foot Vein Found on Mint Ore

Word has been received from the Mint Ore property of the discovery of a new vein four feet wide to the northeast of where previous work had been carried out. At the annual meeting of the company this week, Harry E. Urquhart, consulting engineer, stated that camp buildings and quarters for the men were now completed. It was decided to increase the number of directors from five to seven, the additional members to be named later.

Malartic is Checking Underground Workings

Reports from Malartic are that underground developments now under way are checking closely with results obtained from diamond-drilling on surface. It is reported that nearly $1,200,000 of ore has already been blocked out and that this amount will be greatly increased when the results of assays taken on the 130 foot level are known.

Arno Diamond Drills Cut Forty Feet of Sulphide

Reports from Arno are that forty feet of sulphide mineralized with sphalerite and chalcopyrite have been cut by diamond drills operating on the property. It is reported that the sulphides were cut at a point 20 feet deeper than the previous hole. The samples are now being assayed. Another diamond drill has been brought to the property and will be put into operation shortly.

CROWN RESERVE VEIN

A six foot vein carrying heavy sulphides has been encountered in shaft sinking at the Crown Reserve at a depth of 968 feet, according to the latest progress report issued by the company.

Ore Probably Cut on Laval-Quebec

It is reported from Massey, Ontario, that ten feet of mineralization, probably ore, has been cut by diamond drills working on the Laval-Quebec, property.

Columbus Kirkland Assets Sold to North American

The assets of the Columbus Kirkland Gold Mine have been sold to the North American Development Co. The sale was ratified by Columbus Kirkland shareholders at a special general meeting held this week.

Under the terms of the agreement the North American Development Co. assumes all the liabilities of Columbus Kirkland and the payment of 1,000,000 shares of a new company to be organized to develop the Teck Township claims, and 1,000,000 shares of a company to be formed to work the Cabot and Connaught groups.

MINING STOCK QUOTATIONS

Week Ending February 28

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Feb. 28	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Abana	1	....	....	2.40	2.00	2.35	62330	4.90	.20	3.95	1.75
Aconda	1	....	....	44	36	36	514720	45	14½	47	29
Afton	1	....	....	1.46	1.40	1.40	1950	1.30	1.00	1.46	1.25
Algonquin	1	....	....	2½	2¼	2½	21000	5¼	2	3	2
Amity C.	.	....	....	26	24	25	30600	50	24½	44	24
Amulet	1	....	....	3.75	3.00	3.68	196128	7.10	.85	5.20	3.00
Ankerite	.	....	....	.75	.49	.50	15500	1.25	1.15	1.23	.49
Apex	1	....	....	8¼	7	8½	279700	10	1	9	6½
Area	1	....	....	.26	.20½	.26	37350	1.95	.23	.32	.20½
Argo. Con.	1	....	....	22	20	20½	195450	59	25	34	20
Arno	.	....	....	25	20½	25	39740	....	....	37	18½
Atlas	1	....	....	3¼	3	3	23500	7	2	4½	3
Bagamac	.	....	....	....	....	....	....	19	6	5	5
Baldwin	1	....	....	3¼	2½	2½	44600	5½	1	3½	2
Bathurst	.	....	....	30	26½	26½	33200	....	....	35	22
Barry Holl.	1	....	....	.82½	.77	.79½	81650	1.50	.25	1.20	.73
Bedford	.	....	....	47	44½	45	51200	52	19	54	34
Beaver	1	....	....	1.49	1.25	1.38	61000	2.75	.59½	2.25	1.25
Bellellen L.	1	....	....	....	....	....	....	23½	3	3½	2½
Bidgood	1	....	....	.74	.66	.68	174150	1.83	.5	1.60	.61
Big Horn	.	....	....	37½	36	36	12100	....	....	44	34
Boischatel	None	....	....	4¼	4	4	45500	27	3	5	3½
Big Missouri	.	....	....	65	50	50	1400	....	....	90	50
Bourlamaque	1	....	....	....	....	....	....	1.53	.50	....	....
Buckingham	1	....	....	5	4½	4½	21250	9½	3	7	4½
B.C. Develop.	.	....	....	1.80	1.50	1.60	1050	1.32	1.12	2.00	1.32
Cambro	.	....	....	30	29	30	2300	58	55	55	29
Can. Lorraine	1	....	....	15	12	15	8600	72	10	18½	12
Capitol S.	1	....	....	15½	15	15½	2700	34	14	18½	15
Capitol R.	1	....	....	15	14½	15	58200	54½	10	18	12
Castle Tre.	1	....	....	69	64	65	20250	1.27	.61	81½	63
Cen. Man.	1	....	....	1.57	1.40	1.50	41500	2.30	1.07	1.95	1.40
Chaput H.	1	....	....	11	9	11	29400	20	4½	18	8½
Clericy	.	....	....	21	16	21	5000	31½	31	30½	16
Clifton	1	....	....	1½	1	1	6500	3½	½	2	1
Coast Copper	5	....	....	50	45½	46	4560	43½	9½	60	36
Col. Kirk.	1	....	....	6	4½	5	136700	16	1½	9½	4½
Coniagas	5	....	....	4.90	4.90	4.90	100	5.05	3.20	5.05	4.70
Coniaurum	5	....	....	4.75	4.10	4.75	512	5.78	2.80	5.50	4.10
Cons. Smelter	25	10+40	4.75	273	263	263	3580	274½	215	289½	251
Copper Hill	1	....	....	....	....	....	....	68	36	46	44
Corona	1	....	....	11	10	10½	64300	37	10	16	10
Crown Res.	1	....	....	45	42½	47½	95366	80	39	70	39
Destor	1	....	....	....	....	....	....	43	20	20	20
Dome Mines	None	$1	8.37	12.10	11.65	11.95	4285	14.60	6.85	13.35	11.65
Dom. Kirk.	1	....	....	3½	3	3½	29700	12	1½	6½	3
Don. Rouyn	1	....	....	16	14	15½	10000	56½	17½	22	13
Dubec	1	....	....	....	....	....	....	1.48	.35	.72	.40
Duprat	1	....	....	9½	8½	8½	44550	21	19½	12½	8
Everett	1	....	....	3	2½	3	8000	5½	1½	3	1½
Federal Kirk.	1	....	....	68	60	62	13800	78	40	77	60
Fiske	1	....	....	....	....	....	....	30½	5	10	4
Goldale	1	....	....	35	30	33½	33850	51½	20	44	30
Gold Hill	1	....	....	25½	21	24	181300	54	22	38½	21
Gold Reef	1	....	....	1½	1½	1½	5500	2½	1½	2	1½
Granada R.	1	....	....	24	20	22½	98850	41	14½	35½	20
Grover Daley	1	....	....	8½	7	8	55400	37	8	15	7
Goodfish	.	....	....	46	44	45	12700	....	....	78	42
Harker	.	....	....	....	....	....	....	....	....	43	43
Harvie Exp.	None	....	....	.60	.50	.55	10075	2.40	.50	.85	.50
Hecla	.	....	....	....	....	....	....	....	....	1.05	.95
Hillcrest c.	100	6	9.23	65	65	65	5	65	50	65	65
Hillcrest, p.	100	7	7.77	90	90	90	5	90	81½	90	85
Hilltop	1	....	....	15	12	14	38700	25	6½	23½	12
Hollinger	5	26	7.65	17.15	17.00	17.08	5771	22.65	16.40	18.10	17.00
Howey Gold	1	....	....	1.26	1.05	1.24	208700	1.78	.42	1.91	1.05
Hudson	.	....	....	17.70	16.70	17.00	14065	....	....	23.25	16.60
Indian	1	....	....	9½	8	9½	....	12	4	15	5
Int. Nickel	25	$2	2.45	82½	73½	81½	51793	90½	38	100	73½
Jackson M.	1	....	....	70	65	68	82275	86	36	86	65
Keeley	1	8	....	.60	.55	.55	14905	1.66	.69	.72	.53
Keora M.	1	....	....	4	3	3	9600	13½	2	5	2½
Kirk. Hunt.	1	....	....	18½	16	16½	58375	35½	10	26	16
Kirk. Lake	1	....	....	1.90	1.50	1.85	312630	3.06	.82	2.75	1.50
Koot. Flor.	20c.	....	....	35½	31½	33½	52300	31	22	47	28
La Rose	1	....	....	5	4	5	1220	12	3	7	4
Lake Shore	1	40+10	2.23	22.00	21.15	21.95	10120	28.20	15.40	27.70	21.15
Lebel Oro	1	....	....	36½	30½	34	27450	66	30	59	26
Laval	1	....	....	23½	20	22	108250	59	19½	28	20
Lorrain C.	1	....	....	1	1	1	2000	3½	1	1½	1
Lucky Jim	.	....	....	44	40	41	7000	....	....	44	36
Macassa	1	....	....	44	37½	38	36200	69	18	55½	37½
Malartic	1	....	....	95	76	90	169500	78	23½	99	70
Marriott	1	....	....	29	24	25	4900	45	35	46	24
McDougall	1	....	....	51	45	47	62800	90	24	60	45
McKinley	1	....	....	18½	17	17½	2750	25½	11	20	17
McIntyre	5	20	3.84	26.35	26.00	26.00	4980	29.00	24.00	29.00	25.90
Mentor	10	....	....	....	....	....	....	14	12	13	13
Millcrest	1	....	....	9	8½	8½	13450	15	2	12	8
Mining Corp.	5	25 c.	....	3.80	3.65	3.65	14540	5.05	2.90	5.50	3.55
Moneta	1	....	....	....	....	....	....	15½	8½	12	9
Montreal R.	1	....	....	....	....	....	....	35	10	16	6
Monelk	.	....	....	....	....	....	....	....	....	15	15
Mint Ore	.	....	....	36	27½	32	60700	....	....	38½	25
Mond Nickel	.	....	....	31½	31½	31½	50	....	....	36	31
Moss	.	....	....	55	55	55	300	....	....	70	55
Murphy	.	....	....	34	32	34	4600	....	....	49½	32
Newbec	1	....	....	.44	.40	.40	63960	1.20	.62½	66	.40
Night Hawk	1	....	....	8	6	6½	31600	10½	4	10	6
Nipissing	5	6	6.38	4.98	4.70	4.70	3588	10.30	5.25	6.00	4.70
Noranda	None	....	....	18.70	17.50	18.00	16159	25.80	19.95	23.85	17.20
Nat. P. & D.	.	....	....	....	....	....	....	....	....	10.00	7.75
Ophir	1	....	....	2½	1½	1½	6000	4½	½	2½	1½
Osisko	.	....	....	46	.45	.45	11150	1.75	.35	.64	.45
Picard	.	....	....	56	55	55	4900	....	....	77	55
Pawnee Kirk.	1	....	....	62	58	59	19100	78	51	80	40
P. L. Cobalt	1	....	....	19½	17	18	131199	18	2	19½	6
Porc. Crown	1	....	....	6	3½	4	16800	11	3	8	3
Pioneer	1	....	....	.58	.52	.55	59794	1.18	.45	.60	.48
Potter Doal	None	....	....	16	15	16	89350	65	10½	22	15
Premier Gold	1	32c.	11.80	2.75	2.65	2.74	6580	2.50	1.86	3.50	2.15
Preston	1	....	....	3	3	3	1000	7	3	5	3
Pend Ore	.	....	....	19.75	14.20	17.25	70225	....	....	25.50	8.00
Pend, pref.	.	....	....	....	....	....	....	....	....	1.40	1.15
Ribago	.	....	....	16	13½	14	93050	87	13	25	13½
Rouyn G.	1	....	....	....	....	....	....	4	2½	3	1½
Rouyn Que.	1	....	....	....	....	....	....	4½	1	1½	1½
Rubec	1	....	....	....	....	....	....	3.65	.80	.80	.40
Realty & M.	.	....	....	20	16	18	37600	38	15	20	9½
San Antonio	.	....	....	41	35	36	57400	57	30	54½	35
Siscoe	1	....	....	....	....	....	....	60	12	43	15
South Keora	1	....	....	10	9	9	5167	64½	4½	17½	8
Stadacona	None	....	....	18	16	16½	113650	55	13	21½	15
St. Anthony	1	....	....	36	36	36	1000	50	16	42	33
Sud. Basin New	.	....	....	8.25	7.00	7.05	79710	....	....	8.25	5.25
Sud. Basin	.	....	....	24.25	21.10	21.80	58550	11.85	4.00	24.25	11.50
Sudbury M.	1	....	....	26½	23½	25	28750	....	....	33½	22
Sylvanite	1	....	....	3.30	3.25	3.28	3450	4.80	2.60	3.90	3.20
Sherritt G.	.	....	....	7.45	7.00	7.00	31530	....	....	8.00	5.02
Sunloch	.	....	....	3.30	3.00	3.30	2675	....	....	6.50	3.00
Teck Hughes	1	10+5	....	8.70	8.25	8.50	63958	12.00	5.37	10.80	8.20
Tough Oakes	1	....	....	59½	54½	58	147195	82	25	79	51
Towagmac	1	....	....	3.30	2.80	3.30	15343	5.75	2.85	4.10	2.80
Telluride	1	....	....	....	....	....	....	38	35	41	39
Timiskaming	1	....	....	....	....	....	....	12	4	10½	6
Treadwell Y.	1	....	....	27.00	26.00	26.00	450	26.75	18.50	32.00	24.75
Vickers	1	....	....	.75	.70	.75	300	1.52	.25	1.25	.70
Vipond	1	....	....	.57	.46	.55	31860	1.74	.47	.85	.48
Wakenda	1	....	....	15	12½	14½	236250	16	1	15	7
West D. Lake	1	....	....	14	12½	13½	37600	20	8	17½	10
West Tree	1	....	....	....	....	....	....	4½	1	....	....
Windfall R.	.	....	....	19½	11½	19	69350	31	19½	25	11½
Wiltsey C.	1	....	....	47½	44½	47½	11800	74	50	56	43½
Wright Har.	None	20 c.	4.21	4.90	4.40	4.75	115447	8.45	5.50	6.80	4.00

Pend Oreille and Grandview

CURRENT number of Canadian Mining World, off the press Thursday, contains leading special illustrated article on Pend Oreille and Grandview Mines, now prominently in the public eye in this and Western Markets, accompanied by a map showing location of mines, with relation to Trail Smelter, the "Z" canyon power site on the Pend Oreille River, and other properties of the vicinity — first published in Toronto.

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An Expression of Opinion

We are convinced that there now exists an opportunity, seldom encountered, to purchase a number of mining stocks of extraordinary merit at most attractive levels.

This permits the astute investor to round out his list, enhancing the possibilities for sizable profits in the coming months, if discrimination and diversification are given proper consideration.

We shall be glad to make specific recommendations. Every inquiry receives prompt and personal attention.

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News From the Mines

March 1st issue features
SUDBURY BASIN, GOLDALE
TREADWELL YUKON, MANDY
and a timely Review on the marketing of base metals. Is your name on our mailing list for this paper? If not, we will gladly add it.

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ANNOUNCEMENT

We have pleasure in announcing to our hundreds of customers all over Canada that after eighteen years in our old offices, increased business necessitates our removal to new and modern offices on the third floor, Vancouver Stock Exchange Building, on Monday, February 27th, 1928.

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RITCHIE GOLD MINES LIMITED

THE property of Ritchie Gold Mines, Limited, is located in Gauthier Township, adjoining the Murphy Mines, where spectacular showings of high grade ore were uncovered a year ago and where a three-compartment shaft is now being sunk to 1,000 feet. Recent diamond drilling is said to have disclosed high-grade ore here. The company owns 240 acres of favorable ground, in which preliminary surface trenching has revealed veins and breaks assaying up to $13.00 per ton, a very satisfactory result in view of the recognized fact that the veins in the area do not show at their best on surface. The Government geological map of the district will show the property to be located astride the Kirkland Lake series of sedimentary and eruptive rocks.

Capital - $3,000,000

In Treasury: 2,000,000 Shares. Par Value: $1.00 Each.

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JOHN J. BYRNE, Mine Owner	M. HILBORN, Chartered Accountant	DAY, FERGUSON & COMPANY, Federal Building, Toronto, Ont.

John J. Byrne, of Haileybury, Ont., is manager of Northland Gold Mines, Ltd., Pawnee Kirkland Gold Mines, Limited, Ritchie Gold Mines, Ltd., and has had a splendid record dating from Ottawa College in 1905, having been associated with many successful mining operations since that time.

From Report of J. C. Houston M.E.

Location
The property lies in the southeastern part of the Township of Gauthier. The centre of the property is about three-quarters of a mile southeast of Argonaut Station on the Rouyn branch of the Nipissing Central Railway. The railway cuts across the northern part of the property at the seventeenth mile post from Swastika.

Transportation and Accessibility
The property is easily reached by a good road from Argonaut Station. The Nipissing Central runs a daily train making good connections with the through main line trains both north and south at Swastika on the Temiskaming and Northern Ontario Railway.

Area of the Property
The property consists of six claims, 9767, 9205, 9204, 9296, 9622 and 9623. Four of them lie in a compact block with the other two adjoining to the north as shown on the attached plan. The area is approximately 240 acres.

Timber and Water
The property is very well timbered with jackpine, birch, poplar and spruce of good size.

Water for all domestic and for preliminary mining purposes can be secured from Victoria Creek which crosses the property. If properly conserved, this creek could also supply sufficient water for a mill of about 150 tons per day.

Power
Hydro-electric power can be secured from the Northern Ontario Light & Power Company sufficient for any scale operations that may be undertaken and at reasonable rates. One of their main lines crosses this section a short distance to the north of the property and within three-quarters of a mile of the camps on the property.

Geology
The geological conditions obtaining on your property are similar to those found in the productive section of the camp.

Nine years ago, after a close study of the Kirkland Lake area, I made the prediction that the producing mines would not reach the main zone of ore deposition until their operations were carried to a depth of at least 1,500 feet and at probably a somewhat greater depth in the eastern part of the area. The last few years' work in the producing mines has amply proved the above prediction.

The above opinion naturally leads to the belief that there must be orebodies in the Kirkland Lake area that do not reach to the surface. That such is the case is evidenced on several properties including Teck-Hughes, Bidgood, Lake Shore, Pawnee, Tough-Oakes, Lebel Oro and others.

Judging the possibilities of property in this belt, it may be stated here that wherever the geological conditions are favorable it warrants a large amount of work even if no commercial values are found on the surface, as there are good possibilities of finding such at depth.

The property well warrants an extensive development campaign and you are fully justified in undertaking such, in the light of information so far secured. J. C. HOUSTON.

HEAD OFFICE - TORONTO, ONT.

Ore Wealth of Canada is Related in Booklet by Bank of Commerce

Dominion is the Largest Known Unprospected Region in World

FUTURE IS ASSURED

Industry's Record During the Past Forty Years Must be Regarded as Most Impressive

"The Mineral Wealth of Canada," is the subject of a timely and interesting booklet recently issued by The Canadian Bank of Commerce and now being distributed in Great Britain. A general description of the Canadian mineral field and its various divisions is followed by articles treating on all the important mineral developments. Interesting comparisons of Canada's production of gold, silver, copper, nickle, asbestos and coal with the other mineral producing countries are set out in tables containing the latest estimates available.

A perusal of this book cannot but serve to bring home to the reader the very important position occupied by Canada to-day as a producer of mineral wealth.

To quote "The Mineral Wealth of Canada": "The remarkable record already achieved by the Canadian Mining Industry is the result of exploration, development and actual mining along the fringe of a field of over 3,000,000 square miles.

"There remains for well-organized prospecting and development, from 75 to 80 per cent. of this vast territory, much of which, according to eminent authorities, offers the same advantages as those that led up to the discovery of famous properties in that small section where mining is now conducted and which has so far been fairly carefully explored."

World's Demand Increasing

It is pointed out that the development of Canada's minerals depends on the market of the world. The world's demand for minerals is steadily increasing. The consumption during the past quarter of a century exceeded that of all preceding time. The return of Europe to its pre-war basis of stability assures a great industrial revival with an increased demand for minerals.

To meet this demand those countries that can supply the greatest amount of mineral at lowest cost will be called upon. In considering the position of Canada as one of the reservoirs of supply and having due regard to the valuable resources of Mexico, Australia, India and some of the South American countries, a number of the world's leading mining men regard Canada as the field offering the greatest possibilities.

Their opinion is based on the fact that Canada is the largest known unprospected, or little prospected, region in the world and its mineral wealth the most diversified. Not only does it possess all the major minerals found elsewhere in large quantities, but the most extensive and valuable deposits of nickle and asbestos known to exist are located within its borders.

In certain sections within, or not far removed from the mineral districts, there are ample supplies of coal and timber. Its known sources of hydro power exceed that of any country with the exception of the United States. Its transportation system is second to none. Geographically from the standpoint of European or world commerce it is most happily situated. Canadian mining laws are sound, justice is rendered speedily and equitably. Canadian labor is orderly and right-thinking. All these factors are such that must attract the attention of capital and assure the finances necessary to convert Canada's latent mineral wealth into actual millions.

Caution Necessary

Referring to the phenomenal mining development that is now taking place in Canada, and which bids fair to place it in the foremost place among the mining countries of the world. It is pointed out that the investor in mining stock should bear in mind that not every prospect can be turned into a mine and that a large number of claims must be necessarily examined before one is found to be a producing mine.

It is further pointed out that a mine cannot be developed over night. Exploration and development require a great deal of money and the services of highly qualified men. The expenditure of several hundred thousand dollars, and even millions, as well as two or three years work is usually necessary before the value of a good sized property can be determined.

Despite the uncertainty which surrounds mining the world over, the opinion is expressed that there is sound reason for the belief that success in a marked degree will attend the efforts of many of those who, possessing adequate capital and the requisite experience, undertake the exploration and development of Canadian mineral resources.

Rapid Strides Made

The numerous tables set out in "The Mineral Wealth of Canada" graphically illustrate the position the Dominion holds in the different fields of mineral production, and at the same time set out the rapid strides it has made as a producer in late years.

Thus, in the production of gold, Transvaal is recorded first, United States second and Canada third. The following figures demonstrate the rapid manner in which Canada is fast forging forward to world leadership:

	1916	1926 (Estimated)
Gold Production in Fine Ounces		
Transvaal	9,296,846	9,962,852
United States	4,479,051	2,189,830
Canada	930,492	1,729,000
Silver Production in Ounces		
Mexico	29,770,675	98,921,000
United States	74,414,800	60,918,000
Canada	25,459,700	21,907,496
Copper Production in Long Tons		
United States	548,000	800,000
Mexico	51,000	55,000
Canada	35,000	60,000
South America	70,000	245,000

In nickel and asbestos production Canada dominates, possessed as it is of from 85 to 90 per cent. of the world's supply.

Lead Production

	1916	(Estimated) 1926
United States	398,000	635,000
Mexico	62,000	200,000
Spain	198,000	115,000
Australia	123,000	150,000
Canada	16,000	125,000
Zinc Production in Short Tons		
United States	392,952	638,533
Upper Silesia	186,689	117,499
Germany (Silesia excluded)	120,450	75,278
Canada	......	61,727

Canada possesses nearly one-sixth of the world's coal reserves. Its yearly output amounting to about 15,000,000 tons.

The foregoing tables serve to indicate the rapid increase of production in Canada of the more important minerals with the exception of iron and silver.

That mining has progressed to the stage where it may be regarded as one of the most important industries in the Dominion is illustrated by the following table:

Value of Minerals Produced in Canada

	1914	1926
Gold	$15,925,044	$35,749,000
Silver	15,097,269	13,618,000
Copper	10,301,935	19,270,000
Nickel	13,655,381	14,401,000
Lead	1,627,568	22,911,000
Zinc	....	10,845,000
Asbestos	2,909,806	9,777,000
Coal	33,433,108	58,164,000
Other minerals, structural clay materials and clay products	35,525,388	58,151,000
	$128,475,499	$242,886,000

Commenting on the growth of Canada's mineral production and its increase in value from $11,000,000 in 1886, to about $65,000,000 in 1900, and $242,886,000 in 1926, "The Mineral Wealth of Canada" says:

Most Impressive Record

"Viewing the record of the Industry during the past forty years it must be regarded as a most impressive one. In that period more than $4,000,000,000 have been produced and a national organization has been built up which has a present productive value of $25,000,000 per annum, and which employs a capital of about $630,000,000 and the services of 65,000 persons whose salaries and wages amount yearly to nearly $100,000,000. Furthermore, mining has played an important part in the development of other resources which would otherwise have lain dormant, for as new mineral districts were opened up, transportation lines were extended, water powers were developed, saw mills were built in virgin forests, raw land was brought under cultivation and manufacturing was stimulated.

"Not only has mining assisted Canada in its progress towards a prominent position in the world's economic structure, but it has also had a powerful and far-reaching influence on the general well being of the Canadian public."

Vancouver Opens Mining Exchange

The Standard Mining and Oil Exchange has been formed in Vancouver by some of the leading mining men and operators of the vast resources of the province, and brokerage houses of Vancouver and Victoria.

The Exchange opened for business on February 20. It will hold daily sessions, and the strictest listing requirements will be observed. Opinion coming from the coast indicates that the new Exchange was a necessity on account of the congestion of business on the Vancouver Exchange.

Huronian Belt Appoints New Consulting Engineer

Dr. H. C. Boydell has been appointed consulting engineer for the Huronian Belt. Company. Dr. Boydell succeeds Dr. J. McIntosh Bell, who recently resigned. Among the companies which will come under Dr. Boydell's supervision in his new office are the Keeley Silver Mines, Vipond Consolidated, Pioneer Mining Corporation and Huronian Belt.

Dr. Boydell enjoys an international reputation as a mining engineer, metallurgist and geologist. He is a graduate of the Otago School of Mines, New Zealand, and has his bachelor of science degree from New Zealand University and his doctor's degree from the Massachusetts Institute of Technology. Dr. Boydell has had an extensive mining experience in most of the principal mining fields in the world. He has practised his profession in New Zealand and Australia, in South Africa and Great Britain. He has done mining, geological and examination work in many parts of the United States, Greece and Canada. He has spent three field seasons in the Ontario and Quebec mining fields, and has made an exhaustive study of the Porcupine, Kirkland Lake and Rouyn fields.

Since 1919 Dr. Boydell has had his headquarters at the Massachusetts Institute of Technology, Boston, where he has been associated with Professor Waldemar Lindgren.

Dr. Boydell has made two major contributions to geological literature, "The Role of Colloidal Solution in the Formation of Ore Deposits," and "Control Factors in Ore Deposition." Dr. Boydell was awarded the annual prize of fifty guineas by the Institute of Mining and Metallurgy of Great Britain for his article on colloidal solution, this having been adjudged the outstanding contribution to mining literature for 1923.

New Ore Body Located on Flin Flon Mines

Reports from Flin Flon Mines are that a new ore body has been located south of the main ore body. It is stated that the new find is one of considerable importance.

Development work is being pushed forward energetically. On the 400 ft. level a crosscut 240 ft, in width has been drifted on for a length of approximately 300 ft. The average value obtained has been 2 per cent. copper and some zinc, but some sections are of much higher grade, one of 28 ft. width running between 5 and 6 per cent. copper.

The work of preparing a new townsite is well under way, and sites have been selected for the concentrator and a smelter. The present camp buildings will be removed to make room for the new plant.

The work of constructing the new railway is being pushed rapidly ahead, and already 20 miles of rail have been laid, although no ballasting has been done as yet.

The Callinan Flin Flon property is about to undertake an extensive program of development. Camp buildings have been constructed to accommodate a crew of 50 men and a mining plant and two diamond drills have been sent into the property. It is proposed to sink a shaft to a depth of 500 ft. and to carry on a thorough exploration campaign by lateral workings below surface. Diamond drilling has indicated 40 ft. of ore on this property.

GOOD FINDS SHOWN ON MARSHAY MINES

Ore Said to be Cut in Each Hole Sunk

The diamond drill campaign being conducted on the property of Marshay Mines is reported to be obtaining encouraging results. The drills are said to have cut ore in each of the three holes already put down, and a fourth hole is now being sunk.

The progress report submitted at the annual meeting of the company which was recently held in Toronto indicated that the development of this property is being carried out in an aggressive manner.

Since the organization of the company last September, the mineralized zone, measuring in width from 50 to 90 feet, and extending for a distance of three-quarters of a mile in length, has been cross-trenched at intervals of about 580 feet. Values in zinc, lead, gold and copper were obtained in six trenches, and traces of these minerals in two other trenches.

Good Ore Values

Although the property is a zinc proposition some encouraging gold values have been obtained. Grab samples running as high as $17 in gold are reported to have been secured in some instances. According to officials, a typical specimen from the ore showings on the property, runs about 6 per cent. lead, 8 per cent. zinc, $2 in gold, and 4 ounces in silver. Copper values so far indicated have been low.

In addition to the exploration work carried out on surface, diamond drills have been utilized, which have indicated ore to a depth of 200 feet, a shaft has been sunk to a depth of 55 feet, substantial camp buildings have been erected, and a wagon road cut into the property.

Marshay Mines are located in the west part of Marshay Township, some 60 miles from Sudbury and about 5 miles from the C.N.R.

The company is capitalized at 3,000,000 shares of a par value of $1, of which 2,300,000 shares have been issued.

Crown Reserve to Dispose of Their Holdings in Cobalt

Crown Reserve Consolidated Mines are to dispose of their holdings in the Cobalt camp. The step was decided on at the annual meeting of the company recently held in Toronto. A progress report was submitted to the shareholders by N. J. Everett, who is in charge of the company's operations at Larder Lake. Mr. Everett stated it was hoped to have the shaft down to a depth of 1,000 feet by the end of the month. It is now down 950 feet. As soon as the 1,200 foot level is reached, Mr. Everett said, five new levels would be opened up simultaneously, and it was proposed to do about 900 feet of lateral work a month.

Crown Reserve's lowest level is the 550, but three new stations have been cut since shaft sinking was resumed.

Four new directors were elected to the board, W. J. Simpson and S. N. Stein of Rochester, and E. W. Bicknell and W. B. McPherson of Toronto. Leo Erenhous, Haileybury, Z. Gallagher and D. Colville of Toronto were re-elected directors.

Prior to the Crown Reserve meeting, the annual meeting of the Porcupine Crown Mines was held. The meeting was purely of a routine nature. The board of directors was reduced from seven to five. The following were elected to the board, Leo Erenhous, Haileybury, R. Imrie, Mimico, Z. Gallagher, D. Colville and R. S. Smith, Toronto.

It was decided that operations would be resumed on the company's property in Guyenne Township, Quebec, in the spring, and that an active exploration campaign would be carried out there. This property was recently diamond-drilled, but work ceased when the drilling was concluded.

Eureka Kirkland Starts Refinancing Program

Eureka Kirkland is about to embark upon an active campaign of development. Present plans not only call for operations on its Kirkland Lake property, but on two other properties it has under option, one in Red Lake and the other in Sudbury Basin district, as well. Competent engineers with diamond-drilling equipment will be secured in the near future to thoroughly explore the company's holdings.

A general meeting of the shareholders of the company was held recently in North Bay, at which an extensive development submitted by the directors, was ratified by the shareholders. The board of directors was reorganized, and a by-law authorizing the secretary to apply for supplementary letters patent and to increase the amount of capital stock was ratified.

Under the refinancing programme, the present shareholders of Eureka Kirkland are to receive two shares of the new stock as a bonus. A public offering of the other treasury shares will be made shortly.

Ontabec is Conducting Magnetometer Survey

Ontabec is carrying on a magnetometer survey of its Group No. 12, in the Northwestern Quebec field. Some forty miles of lines were cut as a preliminary to the survey. Following the survey it is proposed to diamond drill the property, although this work will not be carried out until some time later in the season.

Ontabec's No. 5 group is being developed by the Hecla Copper Company. A radiore survey is being carried out at the present time, and it is reported gratifying results are being obtained. The cost of the survey will amount to approximately $12,000, and is to be followed by further diamond drilling.

Ontabec owns a half million shares of Hecla Copper, and it is also virtually interested in the "Thompson Situation" of the Harvie holdings in Clericy, as it holds a 45 per cent. interest in the group.

March Gold Finds New Vein on 450-ft. About $9 to Ton

March Gold has opened up a new vein on the 450 foot level. The vein is reported to be nearly seven feet wide, and average channel assays run $9 to the ton. The encouraging results being met with in development work are such that the management is now making plans to put the mill into operation at the beginning of April. An additional force of men has been put at work, and are breaking down ore from both the second and third levels that is reported to run from $8.50 from $9 per ton. More men are to be added to the staff.

It was decided by the management some time ago that the mill would not be put into operation until at least a year's ore supply was ahead. Present indications are that considerably more than this is now ready.

Wine Harbour Gold Mines Bought by Federated Mines

From Our Own Correspondent

HALIFAX.—The Wine Harbour Gold Mines have been purchased by the Federated Mines. This important announcement is a further indication of the revival which has taken place in the gold mining industry in Nova Scotia, and marks the entry into Nova Scotia of a mining company which is already carrying on operations at the Union and Warren Mines in Ontario, and at the Unison Gold Mines in Quebec. The new owners of the Wine Harbour Mines will commence operation in April.

The capitalization of this company is $10,000,000 and the board of directors includes Hugh R. Winton, Charles J. Denker and R. O. Witzke of Chicago, Illinois, Senator E. L. Girror, Ottawa and Major B. F. Davidson, Halifax.

S. J. Deery Has Joined Sutherland & Partners

S. J. Deery has become associated with Sutherland and Partners and will represent them on the floor of the Standard Stock and Mining Exchange. Mr. Deery has been associated with the brokerage business in Canada for a number of years having been connected with J. P. Bickell & Co. for over 4 years and was a former director of the Standard Exchange.

MANDY PREPARES FOR SPRING RUSH

Extensive Program of Development Work is Mapped Out

Supplies are being rushed into the Mandy Mines by teams, and the addition of tractors is being considered so that the spring break-up will in no way hinder the extensive program of development work that has been mapped out.

A steam compressor that will enable operations to be carried out to a depth of 700 feet, and a complete steam equipment, has already been taken in, and is now being set up. It is anticipated that underground work will be resumed by May 1st.

Mandy's plans include the dewatering of the 200 foot depth shaft and an extensive program of exploration work both underground and on surface. This will include a considerable footage of diamond drilling, surface and geological work.

J. G. MacGregor, manager of the Amulet has resigned his position with that company to join the Mandy staff. Mr. MacGregor will leave the Quebec field to take up his duties in the Manitoba about the middle of April.

Picard and Company Enlarges Offices

The offices of Picard & Company, brokers, 14 King Street East, Toronto, are now undergoing alterations which will afford more space to clients and staff alike. A steady increase in the volume of business transacted has made this step imperative. A spacious and up-to-date board room is being installed which will prove a decided acquisition to Picard service.

The company has opened a new office in Georgetown, under the management of W. T. Evans.

Caribou is About to Start Drilling on Bourlamaque

Caribou Copper Corporation are about to begin diamond drilling on their Bourlamaque property. A winter road has been completed to the property to permit the company's drill being brought in. Camp buildings have been erected and everything is ready for an extensive exploration campaign.

The drilling is to be centred on a showing of copper gold ore, which is reported to be of commercial grade over a width of 15 feet. This is in a shearing more than 600 feet in length, and over 200 feet in width. The work will be under the direct supervision of R. F. Lethbridge, M.E. Results from the first hole should be known about the middle of March.

News of Caribou's activities is attracting attention to Bourlamaque again. There was considerable activity in this township some two or three years ago, but at that time work was confined to gold-bearing properties and little attention was paid to the copper outcrops.

The present developments have been brought about by a report issued by the Geological Survey in 1926, Caribou Copper is the first company to investigate the copper possibilities of the district.

Windfall Rouyn Strikes Pyrite and Chalcopyrite

CLERICY.—Diamond drills operating on the Windfall Rouyn property have cut 169 feet of pyrite and chalcopyrite in a sulphide body which has been traced for 1,800 feet, and the boundaries of which have not yet been established.

A vigorous exploration campaign is being carried out under the direction of F. M. Passow, M.E., who recently stated that from his examination of the property he had been impressed with the chances of finding commercial ore in depth.

Development work on the property of the Harvie Mining Company is being aggressively carried out under the direction of Major A. J. Flood.

Nipissing-Lebel Oro Deal May Go Through

Lebel Oro directors are favorable to Nipissing's deal to operate and ultimately control the property. It is likely that shareholders will now be asked to meet and consider the offer. The deal involves organization of a new company.

Gem Lake Mines
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Douglas G. H. Wright, M.E., in his report states:
"The Gem Lake property is one of, if not the most, outstanding prospects in the non-producing stage in the Central Manitoba Gold area, and further, the property is of great prospective merit."
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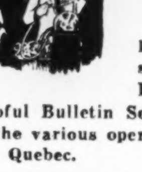
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Douglas G. H. Wright's Report:
To date there has been uncovered a mineralized zone of approximately 1,000 feet in length and upwards of 150 feet in width with several quartz veins showing which carry consistently high values in gold. Mr. Wright in his report says:—
"The Gem Lake property is one of, if not the most, outstanding prospect in the non-producing stage in the Central Manitoba Gold area, and further, the property is of great prospective merit."
An extract from the concluding paragraph of Mr. Wright's report indicates the reasons for these recommendations.
"The writer" he says, "will grant that others might have recommended the sinking of a shaft upon your main showings, but in this instance, due to the conservative policy being followed, the immediate sinking of a shaft is not recommended because the opinion is held that further surface work will then better disclose the proper place for the shaft's location and will thus obviate the necessity of a prospect shaft."
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